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LEGISLATIVE HISTORY

PUBLIC LAW 393--80th Congress

Chapter 524--1st Session

H. R. 4748

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DIGEST OF PUBLIC LAW 393

THIRD SUPPLEMENTAL APPROPRIATION ACT, 1948. H. R. 4748 appropriates \$540,000,000 for the interim foreign-aid program, \$522,000,000 for France, Italy, and Austria and \$18,000,000 for China. Prohibits use of these funds for acquisition of nitrates, nitrogenous fertilizers, petroleum products, wheat, wheat flour, or cereal grain in the U. S. or its exportation unless the President first (1) surveys recipient countries' requirements, (2) estimates probable quantities to be made available, and (3) estimates the amount available for export to such countries, after considering domestic requirements. Requires that, in determining the amount available for export, the President shall allow for a wheat carryover of at least 150,000,000 bushels as of July 1, 1948. Limits to \$57,500,000 the losses to be incurred under the provision (in the Foreign Aid Act) for disposal of surplus commodities at wheat-equivalent prices. Authorizes the Secretary of Agriculture, with Budget Bureau approval, to use not over \$2,750,000, until April 1, 1948, to carry out possible legislation on commodity-exchange speculation or allocation and inventory control of scarce agricultural commodities, or to carry out Presidential programs under existing laws to encourage conservation practices in the U. S. Appropriates \$340,000,000 to the Army for Government relief in occupied areas. Appropriates additional funds for various reclamation projects.

INDEX AND SUMMARY OF HISTORY ON H. R. 4748

November 17, 1947	Documents: The estimates upon which the bill is based are contained in House Documents Nos. 435, 467, 475, 476, and 477.
November 24, 1947	Hearings: Senate. European Interim Aid and Government and Relief in Occupied Areas. (S. 1774).
December 6, 1947	Hearings: House, H. R. 4748, Pt. 1.
December 13, 1947	Hearings: House, H. R. 4748, Pt. 2.
December 16, 1947	House Committee on Appropriations reported H. R. 4748. House Report No. 1191. Print of the bill as reported. Committee Print of the bill and Report. House began debate.
December 17, 1947	Debate concluded. H. R. 4748 passed the House with amendments. Hearings: Senate, H. R. 4748.
December 18, 1947	H. R. 4748 was referred to the Senate Committee on Appropriations. Print of the bill as referred to the Committee. Senate Committee reported H. R. 4748 with amendments. Senate Report 808. Print of the bill as reported.
December 19, 1947	H. R. 4748 debated in the Senate and passed with amendments. House and Senate Conferees appointed. House and Senate received and agreed to the Conference Report. House Rept. 1234.
December 23, 1947	Approved. Public Law 393.

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
INTERIM AID TO FRANCE, ITALY, AND AUSTRIA

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1948 IN THE AMOUNT OF \$597,000,000 FOR INTERIM AID TO
FRANCE, ITALY, AND AUSTRIA

NOVEMBER 17, 1947.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, November 17, 1947.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$597,000,000 for interim aid to France, Italy, and Austria.

The urgency of the need and the necessity for immediate action have been brought to the attention of the Congress in my proclamation of October 23, 1947, calling the Congress into special session, and in my message of November 17, 1947, to the Congress.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., November 17, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1948 in the

amount of \$597,000,000 for interim aid to France, Italy, and Austria, as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

EUROPEAN INTERIM AID

European interim aid: To enable the President to carry out the provisions of the Act of -----, 1947 (Public Law -----), there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$597,000,000 to be immediately available and to remain available until June 30, 1948: *Provided*, That any additional administrative expenses which may be incurred by the Department of State in carrying out duties assigned to it under said Act shall be paid from the amount made available to said Department for administrative expenses under the appropriation "Relief Assistance to War-Devastated Countries" in The Supplemental Appropriation Act, 1948----- \$597, 000, 000

This estimate of appropriation is to provide funds to enable the President to provide immediate assistance needed by the peoples of France, Italy, and Austria to alleviate widespread human suffering and prevent serious economic retrogression which would gravely jeopardize any general economic recovery program, as outlined in your message of November 17, 1947, to the Congress.

I recommend that the foregoing estimate be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR
THE DEPARTMENT OF THE ARMY, CIVIL FUNCTIONS

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION IN THE AMOUNT
OF \$490,000,000 FOR THE FISCAL YEAR 1948, FOR THE DEPART-
MENT OF THE ARMY, CIVIL FUNCTIONS

NOVEMBER 24, 1947.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, November 20, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of the Congress a supplemental estimate of appropriation in the amount of \$490,000,000 for the fiscal year 1948, for the Department of the Army, civil functions.

The details of this estimate, the necessity therefor, and the reasons for the submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., November 19, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit for your consideration a supplemental estimate of appropriation for the fiscal year 1948 for the Department of the Army, in the amount of \$490,000,000, as follows:

DEPARTMENT OF THE ARMY

CIVIL FUNCTIONS

Government and relief in occupied areas: For an additional amount for "Government and Relief in Occupied Areas," fiscal year 1948.....	\$490, 000, 000
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This supplemental estimate of appropriation is made necessary by the inability of the British Government to continue dollar support in bizonal Germany, nonavailability of proceeds of Japanese exports to have been used for purchase of food and other items, unfavorable crop growing conditions in Germany, flood damage to crops in Japan, commodity price increases, shipping cost increases, and the necessity of purchasing more costly substitutes on account of shortages of grain. Funds requested under this estimate will be needed by the end of January 1948.

I recommend that the estimate be submitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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SUPPLEMENTAL ESTIMATE OF APPROPRIATION, AND PROPOSED
AUTHORIZATION FOR THE EXPENDITURE OF INDIAN TRIBAL
FUNDS, FOR THE DEPARTMENT OF THE INTERIOR

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATE OF APPROPRIATION FOR THE FISCAL
YEAR 1948 IN THE AMOUNT OF \$450,000, AND A PROPOSED AU-
THORIZATION FOR THE EXPENDITURE OF INDIAN TRIBAL
FUNDS, FOR THE DEPARTMENT OF THE INTERIOR

DECEMBER 11, 1947.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, December 11, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$450,000, and a proposed authorization for the expenditure of Indian tribal funds for the Department of the Interior.

The details of the estimate and the proposed authorization, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., December 10, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the fiscal year 1948 in the amount of \$450,000, and a proposed authorization for the expenditure of Indian tribal funds, for the Department of the Interior, as follows:

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

Welfare of Indians: For an additional amount, fiscal year 1948, for "Welfare of Indians," including the objects specified under this head in the Interior Department Appropriation Act, 1948----- \$450, 000

Advance to Navajo Tribe of Indians (tribal funds): For advance to the Navajo Tribe of Indians to reimburse the tribal sawmill enterprise for emergency relief expenditures, \$100,000, payable from funds held by the United States in trust for said Indians.

Through a series of circumstances the Navajo Tribe of Indians in Arizona, New Mexico, and Utah is facing a serious situation during the coming months. The economic position of this tribe has never been favorable. Deterioration of the range has compelled more than a 50 percent reduction in sheep and goat herds, the principal source of income. Work relief prior to the war provided a means of support for many families, and during the war years many thousands of Indians found employment off the reservation. Moreover, families had allotment benefits from the 4,000 members of the tribe serving in the armed forces. With the war over, these thousands of Indians have returned to the reservation.

The appropriation made to the Bureau of Indian Affairs for relief purposes in 1948 was \$498,710, of which only \$65,000 can be allocated to the Navajo Reservation because of needs on other reservations. This will permit relief expenditures averaging about \$5 per month per person.

The Navajo Tribal Council, aware of the critical situation, has approved the diversion for relief purposes of \$143,000 of tribal money used for the operation of a sawmill, with the understanding that this advance will be recovered in part by the appropriation of \$100,000 from Navajo tribal funds held in the Treasury.

During the month of November 1,264 Indians received relief payments. This number is expected to increase at a rapid rate during the winter months.

In an effort to meet the situation to the best advantage the Bureau of Indian Affairs has obtained surplus food and clothing from other Federal agencies, and contributions of such articles have been made by private individuals and organizations. This will not be sufficient, however, to meet all relief requirements. For the remainder of the fiscal year 1948 it is estimated that \$400,000 additional will be necessary.

As a means of relieving the present economic distress it is proposed to employ a few persons who, in cooperation with the United States Employment Service, will locate jobs in industries off the reservation so that some families at least will have a means of support.

The Department is now formulating a program designed to provide employment opportunities on the reservation and to improve conditions generally through expansion of educational and health facilities, improvement of highways, and the development of greater acreages of agricultural lands. At a later date it is anticipated that an estimate will be submitted for the initiation of a long-range program for general reservation development.

It is recommended that the foregoing supplemental estimate and tribal fund authorization be submitted to the Congress.

Respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.



SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
THE FEDERAL SECURITY AGENCY

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1948 IN THE AMOUNT OF \$1,340,000 FOR THE FEDERAL
SECURITY AGENCY

DECEMBER 15, 1947.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, December 13, 1947.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriation for the fiscal year 1948 in the amount of \$1,340,000 for the Federal Security Agency.

The details of these estimates, the necessity therefor, and the reasons for their submission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., December 12, 1947.

The PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriation for the fiscal year 1948 in the amount of \$1,340,000 for the Federal Security Agency, as follows:

FEDERAL SECURITY AGENCY

Social Security Administration

Reconversion unemployment benefits for seamen: For an additional amount, fiscal year 1948, for "Reconversion unemployment benefits for seamen"-----	\$1, 300, 000
Miscellaneous expenses, Social Security Administration: For an additional amount, fiscal year 1948, for "Miscellaneous expenses, Social Security Administration"-----	40, 000

The Social Security Act amendments of 1946 provided that the Federal Government should bear the cost of unemployment compensation for seamen insofar as their benefits are based upon employment on federally controlled ships. The Senate Finance Committee estimated at that time that the total cost would probably reach a minimum of \$3,000,000 before the basic legislation expires June 30, 1949.

For this purpose \$1,000,000 was requested for 4 months of fiscal year 1947 and \$994,000 for fiscal year 1948. \$750,000 is included in the budget estimates for 1949. Congress failed to provide any funds under the 1947 supplemental appropriation, and provided only \$900,000 for 1948. The result of this action is that the full impact of initial benefit costs is being met out of the limited 1948 appropriation when the agency had expected that a substantial amount of the benefit rights would have been exhausted by claims against the 1947 fund.

The agency, therefore, has exhausted the 1948 appropriation and has directed the States to cease benefit payments for benefits accruing after the week ending December 13, 1947.

The \$40,000 for "Miscellaneous expenses, Social Security Administration" is for funds to reimburse the Bureau of Old Age and Survivors Insurance for transcripts of wage records of claimants filing for benefits under this program.

I recommend that the foregoing estimates be transmitted to the Congress.

Very respectfully yours,

F. J. LAWTON,
Acting Director of the Bureau of the Budget.



SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR
THE DEPARTMENT OF THE INTERIOR, BUREAU OF
RECLAMATION

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SUPPLEMENTAL ESTIMATES OF APPROPRIATION FOR THE FISCAL
YEAR 1948 IN THE AMOUNT OF \$29,375,000 FOR THE DEPART-
MENT OF THE INTERIOR, BUREAU OF RECLAMATION

DECEMBER 15, 1947.—Referred to the Committee on Appropriations and ordered
to be printed

THE WHITE HOUSE,
Washington, December 11, 1947.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress supplemental estimates of appropriation for the fiscal year 1948 in the amount of \$29,375,000 for the Department of the Interior, Bureau of Reclamation.

The details of these estimates, the necessity therefor, and the reasons for their transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, transmitted herewith, in whose comments and observations thereon I concur.

Respectfully yours,

HARRY S. TRUMAN.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington 25, D. C., December 11, 1947.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit herewith for your consideration supplemental estimates of appropriation for the fiscal year 1948 in the amount of \$29,375,000 for the prosecution of authorized reclama-

tion projects, by the Department of the Interior, Bureau of Reclamation, as follows:

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

GENERAL FUND, CONSTRUCTION

Construction: For additional amounts, fiscal year 1948, for continuation of construction of the following projects, to remain available until expended, as follows:

Davis Dam project, Arizona-Nevada, \$2,800,000;
Colorado-Big Thompson project, Colorado, \$4,150,000;
Central Valley project, California, \$10,700,000;
Columbia Basin project, Washington, \$11,725,000.

These additional amounts are required to permit continuation of work during the remainder of the fiscal year on certain existing continuing contracts and on other work under way; to award small contracts which are incidental to these contracts; to permit ordering at the earliest date possible of three additional turbines and generating units (R 4, 5, and 6) for the right powerhouse at Grand Coulee Dam and to perform work preparatory to their installation. I recommend that the estimates be transmitted to the Congress.

Respectfully yours,

JAMES E. WEBB,
Director of the Bureau of the Budget.

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DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued December 17, 1947
For actions of December 16, 1947
80th-1st, No. 165

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HIGHLIGHTS: House debated appropriation bill which includes items for foreign aid, various anti-inflation programs under USDA, and reclamation. Senate committee reported Taft inflation-control measure. Sen. Barkley introduced bills to authorize USDA to regulate margins on commodity exchanges, authorize food conservation program, authorize CCC to promote foreign food production, and authorize price control. Bills introduced in House: By Rep. Kersten, to control exports; by Rep. Spence, to authorize price control; by Rep. Dirksen, to establish fertilizer program; by Rep. Andresen, to investigate commodity-exchange transactions; and by Rep. Johnson (Ill.), requesting USDA to release livestock estimates. Rep. Murray, Wis., claimed USDA is not carrying out price-support requirements for poultry. Both Houses received proposed bill from USDA to provide for 2 additional Assistant Secretaries of Agriculture.

HOUSE

1. **THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948.** Began and completed general debate on this bill, H. R. 4748, and began to read the bill for amendment (pp. 11589-608).

The bill includes the following provisions of interest to this Department: Appropriates \$509,000,000 (authorization is \$597,000,000) for the interim foreign-aid program, but limits it to Austria, France and Italy (pending development of a State Department plan for China). Prohibits use of these funds for acquisition of nitrates, nitrogenous fertilizers, petroleum products, wheat, wheat flour, or cereal grain in the U.S. or its exportation unless the President first (1) surveys recipient countries' requirements, (2) estimates probable quantities to be made available, and (3) estimates the amount available for export to such countries, after considering domestic requirements. Requires that, in determining the amount available for export, the President shall allow for a wheat carryover of at least 150,000,000 bushels as of July 1, 1948. Limits to \$50,000,000 the losses to be incurred under the provision (in the interim aid bill) for disposal of surplus commodities at wheat-equivalent prices. Authorizes the Secretary of Agriculture, with Budget Bureau approval, to use not over \$2,750,000, until April 1, 1948, to carry out possible legislation on commodity-exchange speculation or allocation and inventory control of scarce Agricultural commodities, or to carry out Presidential programs under existing laws to encourage conservation practices in the U.S. and livestock-poultry marketing at light weights. Appropriates \$230,000,000 to the Army for Government relief in occupied areas. Appropriates additional funds for various reclama-

tion projects.

The committee report quoted two sets of USDA figures on wheat requirements and stated, "Close interrogation of the persons responsible for planning the program leads to misgivings as to whether the plans are well thought out and are practicable in their approach to the problems to be met." It stated that currency stabilization in the recipient countries is "one of the most acute problems" and that "the committee is far from convinced that the program is sound or that it will be efficiently administered." It said the conferees on the interim authorization bill modified the Andresen wheat-carryover amendment so as to make it "negatory" and that the appropriation bill carries a limitation "which is largely in the same terminology as the original Andresen amendment." Regarding the authority for this Department to use interim-aid funds for certain specified purposes, the report stated, "The Director of the Bureau of the Budget and the Secretaries of...and Agriculture are expected to scrutinize most carefully any expenditures under this broad authority."

, Miss.,

The debate included discussions of food procurement, etc. Rep. Rankin/said REA needs an appropriation of \$200,000,000 for the remainder of this fiscal year and asked if such an amendment would be in order. Rep. Cannon, Mo., said he was "in heartiest sympathy" with such an amendment but that he would not say whether it would be subject to a point of order until he saw it. (p. 11589.)

The bill had been reported earlier in the day by the Appropriations Committee. (H. Rept. 1191)(p. 11614.)

2. ASSISTANT SECRETARIES. Both Houses received from this Department proposed legislation to provide for 2 additional Assistant Secretaries of Agriculture and for a statutory salary of \$10,000 for the existing position as Assistant Secretary. To Agriculture Committees. (pp. 11553, 11614.)
3. PRICE SUPPORTS. Rep. Murray, Wis., claimed the Department is not carrying out price-support requirements for poultry (p. 11586).
Rep. Keating, N. Y., inserted a statement by C. W. Watkeys claiming that eggless Thursdays result in price supports for eggs (p. 11586).
4. HOUSING. Received the conference report on S. 1770, to increase the amount of mortgage-insurance resources, through the Federal Housing Administration, by \$750,000,000 (p. 11608).
5. INFLATION; FOREIGN AID. Rep. Javits, N. Y., recommended the following to provide for foreign aid and fight domestic inflation: Voluntary price and wage fixing; use of farm credit and price supports to control prices; export, transportation, and credit controls; food conservation; Taft-Ellender-Wagner housing bill; etc. (pp. 11609-13).

SENATE

6. INFLATION CONTROL. The "Daily Digest" states that the Banking and Currency Committee reported with amendments S.J.Res. 167, the Taft commodity-price-stabilization measure (S.Rept. 780) (pp. D725, D726). As introduced the measure authorizes the President to consult with industry, business, and agriculture representatives with a view to making voluntary agreements to provide for allocation of transportation facilities, livestock and poultry marketing at weights and grades to effect efficient grain utilization, allocation and inventory controls of scarce commodities, regulation of speculative trading on commodity exchanges, or agreements which will otherwise carry out the purposes of the act; authorizes the President to approve such voluntary agreements, but prohibits approval of

[COMMITTEE PRINT]

NOTICE.—This report is given out subject to release when consideration of the bill which it accompanies has been completed by the whole committee. Please check on such action before release in order to be advised of any changes.

80TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } No. 4491

THE THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948

DECEMBER 16, 1947.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TABER, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. ——]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 435, 467, 475, 476, 477.

INTERIM AID

The committee has had under consideration an estimate of \$597,000,000 which was submitted by the President at the same time that he delivered his message to the Congress requesting authorization of a relief program for France, Italy, and Austria. The committee has had the advantage of extensive hearings held by the House and Senate committees having jurisdiction over the basic legislation as well as the debates of the two houses on all the issues pertinent to the appropriation. The committee has had extensive hearings of its own and has sought information from the statistical agencies of the Government and other sources with a view to assuring itself of

availability of supplies before making funds available. Under those circumstances the committee should be as fully informed as it is possible to be on any public question before rendering judgment, but reluctantly must confess that such is not the case.

Long hours spent in studying statistical tables on production of commodities, shipping facilities, the needs of our own people, and the probable impact on our own economy of draining off the rather considerable quantities proposed have left many members of the committee wholly unsatisfied as to the reliability of the statistics before them, inasmuch as the statistics from various agencies too often disagree. As an example, the Secretary of Agriculture on December 6 supplied the committee with figures, shown on page 7 of the hearings, giving the total probable disposition of wheat in the United States for the year beginning July 1, 1947, as follows:

	<i>Bushels</i>
Food.....	510, 000, 000
Feed.....	250, 000, 000
Seed.....	85, 000, 000
Total.....	845, 000, 000

The November edition of Agricultural Outlook Charts, 1948, published by the United States Department of Agriculture and just released, but the information for which was undoubtedly available at the time the Secretary appeared before the committee shows, on page 58, the following disposition of wheat in the United States for the year beginning July 1, 1947:

	<i>Bushels</i>
Food.....	510, 000, 000
Feed.....	325, 000, 000
Seed.....	87, 500, 000
Industrial uses.....	5, 000, 000
Total.....	927, 500, 000

This estimate, from the same department on the same subject, almost simultaneously uttered, exceeded to the amount of 82,500,000 bushels the probable consumption of wheat in the United States as estimated by the Secretary—a difference of almost 10 percent. Close interrogation of the persons responsible for planning the program leads to misgivings as to whether the plans are well thought out and are practicable in their approach to the problems to be met. Few have realized that the United States is no longer in the position of having burdensome, market-depressing surpluses of such commodities as wheat but now has on hand stocks which in the next few months, unless there is an ideal crop year in 1948, may be reduced to dangerously low levels inadequate for the feeding of our own people regardless of prices or other considerations. Factors of this kind cannot be left out of the equation in determining the amount which the United States should supply to aid other countries.

One of the most acute problems, and certainly one of primary importance, facing the countries of Europe today is the instability of their currency. It is a well known fact that in France, for example, producers of food and other commodities withhold an inordinately large proportion of their production from the normal channels of trade inasmuch as they prefer to barter, and trade on black markets, for other commodities, vehicles, clothing or other items which they may need. Their reason is simple. If their surplus supplies were sold in the normal channels of trade, they would have no assurance that they had actually received anything for their labors as the

value of the currency in circulation fluctuates so widely. They can make an exchange on a barter basis and know that they have acquired something for which they have use.

The cornerstone of economic recovery of Europe is a stable monetary system and unless and until stable recognized currency is in circulation in the various countries of Europe efforts toward economic recovery will be fruitless. It is true that many of the governments on the continent of Europe today are unstable, but no government is more secure in the minds and hearts of its people than is the money in their pockets.

While the value of money is directly dependent upon the faith and credit of the government that issued it, governments can through sound aggressive action, so support their currencies and control the circulation thereof as to contribute markedly toward bringing about stable market conditions within their borders and reestablish the normal flow of merchandise from producer to consumer.

The present aid program is on a purely temporary basis and has been presented as only a stop-gap measure. Real economic recovery is somewhere in the future. No assistance of lasting benefit can be rendered and no permanent improvement in the economic condition of the peoples involved can be expected until the currency situation has been forthrightly met. The Government of the United States should make it perfectly clear to the governments on the continent of Europe that this is their first responsibility and that the meeting of this responsibility with fortitude and integrity will do much to avoid the necessity of outside assistance in the future.

While the committee is far from convinced that the program is sound or that it will be efficiently administered, it does recognize the need to be met and that the present bill offers the only opportunity to provide such assistance as the United States may be in a position to render and has therefore determined to approve the program in basic form with certain exceptions hereafter explained.

The House adopted as an amendment to S. 1774 the so-called Andresen amendment which had for its purpose the maintenance of adequate stocks of wheat in the United States, but this amendment was so modified in conference as to render it nugatory.

Because of the vital necessity of insuring the maintenance of minimum domestic requirements the appropriation as reported to the House carries a limitation on the use of the funds which is largely in the same terminology as the original Andresen amendment but which is so worded as to be operative.

The authorizing bill, S. 1774, carries \$597,000,000 for France, Italy, China, and Austria. No definite amount for China was earmarked in the bill but the legislative history clearly indicated that it was the intention of the House Committee on Foreign Affairs that \$60,000,000 be set aside for China. When interrogated in the course of debate in the House, Representative Judd of Minnesota, the author in the Foreign Affairs Committee of the amendment relating to China, after pointing out that Secretary of State Marshall is expected to lay a program for China before the Congress in the near future, stated:

Until he submits it I do not believe the Committee on Appropriations is under obligation to bring in any appropriation for China and in fact should not bring in any appropriation for China.

Therefore, the committee has included no provision for China in the appropriation.

The program for aid to the various countries included a statement of resources available in those countries and the proposed disposition of such resources as a basis for determining the amount of aid necessary from the United States. These resources must be taken into account in determining to what extent the United States should render assistance inasmuch as all of the funds provided, whether now in the hands of the recipient countries or to be paid out of the United States Treasury, must be looked on as one fund available for the needs of the countries to be aided. It has been shown that France has available \$228,000,000 to which is to be added such amount as may be available from the United States appropriation. It was stated to the committee that France expects to use \$66,000,000 between December 1, 1947, and March 30, 1948, for the following purposes:

Service of foreign debt.....	\$26, 000, 000
Payment to Belgium on commercial account.....	17, 000, 000
Payment to Brazil on commercial account.....	3, 000, 000
Additional contribution to International Monetary Fund.....	10, 000, 000
Administrative and other expenditures.....	10, 000, 000

It was stated that Italy has available \$159,000,000 for the period December 1, 1947, to March 30, 1948, and of this amount expected to spend \$22,000,000 for the following allegedly invisible items:

Payment to U. S. for settlement of certain war claims of U. S. Nationals against Italy (Lombardo Agreement, December 1947).....	\$5, 000, 000
Partial repayment of Export-Import Bank 1946 Cotton Loan.....	7, 000, 000
Interest on U. S. Surplus Property Credit.....	4, 000, 000
Diplomatic Expenditures, pre-war bond settlement, interest payments, and miscellaneous financial items.....	6, 000, 000

It is the judgment of the committee that wherever possible items of these types should be deferred by the creditors and that the Governments of France and Italy should divert every available resource of their own to the care and feeding of their own people during the winter months. The expenditure of funds for such items serves only to increase the burden which must be borne by the American taxpayer and it is exactly the same as if the Congress appropriates money to pay the debts of France and Italy. The committee has reduced the amount by \$88,000,000 and recommends an appropriation of \$509,000,000. This will leave \$88,000,000 in reserve for future consideration in the event a program for China is presented, or if in the future justification can be presented for any other authorized project.

FEDERAL SECURITY AGENCY

The committee recommends approval of budget estimates totaling \$1,340,000 for reconversion unemployment benefits for seamen. For this purpose the original estimate for the fiscal year 1948 was \$994,000 and the Congress appropriated \$900,000. It was stated at the time the original estimates were presented to the Congress that they were purely guesswork inasmuch as this was a new law and there was no basis for determining probable case load. Though Congress has been in session since November 17 and testimony before the committee was to the effect that the Bureau of the Budget was advised on November 24th of the depletion of this appropriation no estimate was submitted until December 13 and the committee was not apprised of the situa-

tion by the Bureau of the Budget until 6 o'clock on the evening of December 12. The case load has been far in excess of the best guess of the officials charged with the administration of the act and funds were exhausted and payments suspended with the week ending December 13. No further payments can be made until the supplemental appropriation is available. The committee is in hope that the appropriation can be made available in time to avoid delaying payments, but has moved with all possible speed. Had the Bureau of the Budget taken prompt action upon learning of the situation instead of unnecessarily delaying for 3 weeks on so obvious a case there would have been no question of security an appropriation in time.

DEPARTMENTS OF AGRICULTURE AND COMMERCE

Legislation is now pending to carry out points 3 and 7 of the anti inflation program recommended by the President in his message to Congress on November 17 and stated on pages 6 and 7 of House Document No. 430, Eightieth Congress, and in all probability some legislation along this line will be enacted prior to the first of the year. It will not be possible, however, for the Bureau of the Budget to process estimates and make them available for consideration by the Congress until in January, thereby delaying the effectiveness of such legislation until such time, probably after the first of February, as the Congress could enact the necessary appropriations to carry them out.

The committee is also advised that the Department of Agriculture is preparing to institute measures, within the framework of existing law to induce the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain, to encourage conservation of food and to increase production of foods in foreign countries (points 5 and 6 of the President's program as stated on p. 7 of H. Doc. 430, 80th Cong.). However, in order to make such measures effective it may be necessary for the Department to expend funds in excess of amounts now available for offices and corporations involved and the Bureau of the Budget advises that they are not yet in a position to submit detailed estimates. These estimates also will not be available for action by Congress until after the first of the year.

The committee has carefully considered these situations and in order to prevent any delay in the effective date of the various programs has included authority in the accompanying bill for the Secretary of Commerce and the Secretary of Agriculture to utilize other funds of their respective departments for these purposes between the date of enactment of the bill into law and April 1, 1948. It will be necessary, of course, to make appropriations in the next deficiency appropriation bill to replenish such appropriations and funds as are drawn upon for these purposes. In the meantime it will be possible for the committee to give careful consideration to the activities of the Departments and their estimates of requirements for the remainder of the year.

The bill limits the amount which may be expended by the Department of Agriculture to \$2,750,000 and the Department of Commerce to \$750,000 and provides that all funds so used shall be approved by the Director of the Budget, and that each such department shall render a report at the end of each calendar month of funds obligated.

It is with the greatest reluctance that the committee recommends this method of providing funds to executive agencies and does so in this instance only because of the fact that the Budget advises it will be impossible for them to submit detailed estimates on which Congress might take action in the normal manner in time to permit immediate operation of the new programs. The Director of the Budget and the Secretaries of Commerce and Agriculture are expected to scrutinize most carefully any expenditure under this broad authority.

The committee was advised by the Budget that the Treasury Department has available in the appropriation for the issuance and marketing of Government securities from 4 to 5 million dollars, which would be adequate for the purpose, available for any bond drives that the President might elect to initiate. If he fails to do this the responsibility will be his.

DEPARTMENT OF THE ARMY

CIVIL FUNCTIONS

The request for appropriation of \$490,000,000 carried in House Document 467, is to provide supplemental funds for Germany in the amount of \$319,357,352; for Japan and Ryukus in the amount of \$138,369,474; for Korea in the amount of \$27,301,637; and for Austria in the amount of \$4,971,537. In accordance with the Rules of Land Warfare and the Hague Convention, the occupation of former enemy territory carries with it the obligation to assure at least a minimum subsistence diet for the civilian populations thereof. It has been the expectation of the occupying forces in the American and British zones of occupation to provide a diet of some 1,800 calories, expecting to reach that goal near the end of the present fiscal year. We are informed that at the present time it has been possible to reach about a 1,450 calory diet in both zones but to do that it has been necessary to use appropriated funds at a rate that will exhaust those funds before the end of the present fiscal year. The reasons it has been necessary to expend funds at a more rapid rate than was anticipated are, prices of commodities required have increased, the production of indigenous foods has not reached expectations due to weather conditions, and in the case of Germany in addition to the reasons just mentioned the taking over by America of a part of the feeding in the British zone. Of the \$319,357,352 requested for use in Germany \$237,000,000 is estimated as the cost to this Government of feeding in the British zone, the balance being required due to other reasons above mentioned.

The committee has held extensive and exhaustive hearings and is not satisfied from the facts developed that there is a proper basis for the appropriation of the funds requested for the taking over of the cost of feeding in the British zone of occupation to the extent requested. It is the opinion of the committee that before a program of the magnitude proposed be adopted there should be a clear and definite agreement between the two Governments concerned setting forth in plain terms the obligations and responsibilities assumed by each Government so that the Congress when making appropriations can know exactly the program it is providing for. Realizing that hunger does not wait upon the execution of agreements, the com-

mittee recommends the appropriation of \$100,000,000 to carry the program until a proper agreement can be entered into. In considering the terms of such agreements attention should be directed to the fact that information presented to the committee indicates that administrative costs in the British zone are excessive. Such costs should be reduced in order that the funds might be used toward the purchase of essential foodstuffs.

In the amounts first above mentioned there is included funds to make purchases under the program until June 30, 1948, at which time there will be in the so-called pipe line an amount of food sufficient to carry the feeding program well into September. The committee has carefully considered the facts and has determined that there are too many variables, such as harvests, etc., to justify it in recommending the appropriation requested. Accordingly it is the opinion of the committee that this request should be reduced in the amount of \$123,000,000, the approximate cost of food to be used after June 30, 1948.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

The committee has considered an estimate of \$450,000 for relief of the Navajo and Hopi Tribes of Indians and recommends the appropriation of \$200,000. There is no question as to the immediate need of many of these people and the committee is anxious to make every necessary provision for them. It is estimated by the Assistant Secretary of the Interior, who appeared before the committee, that there are 5,000 persons on the reservation who require assistance during the remainder of the fiscal year and of this number 1,268 are already receiving assistance at the rate of \$5 per month. The estimate was intended to provide \$20 per month for individuals and somewhat lesser allotments where family groups are concerned. The amount recommended by the committee will provide a little over \$10 per person in addition to the amounts of relief now being paid and it appears to the committee, after studying the situation, that this allowance, coupled with distribution of surplus stocks of potatoes and other food supplies available to the Bureau, will be adequate to meet the need. There are now approximately 65,000 persons on the reservation and the Assistant Secretary of the Interior testified that the reservation is capable of supporting only 35,000, although, based on a population of 65,000, the available land amounts to 250 acres per person. The conditions in which these people are now living is not of their own making but is directly the result of the short-sighted policies of the Bureau of Indian Affairs. On December 9, 1947, the House passed H. R. 4627 authorizing appropriations of \$2,000,000 to provide for a program of rehabilitation which has for its purpose the establishment of the Navajo and Hopi peoples on a self-sustaining basis. The passage of legislation is futile, however, unless the agency charged with the administration of such legislation is staffed with people who have the desire as well as the capacity to carry it forward to administrative fruition.

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The estimate also included \$50,000 for the employment of additional personnel to administer the program, but testimony developed the fact that the Bureau of Indian Affairs now has an excess of 1,000 employees on the reservation which is 1 employee for every 65 Indians. There seems to be no logical reason why the Bureau cannot find in that number sufficient personnel to administer this program. Furthermore the committee feels that the Bureau should review its personnel situation with a view to securing more medical service and to carrying on a developmental program which will put these two tribes on a self-sustaining basis.

The relief afforded by the recommended appropriation is only temporary in character and will do nothing toward placing the Indians in a position to live on their own resources.

BUREAU OF RECLAMATION

The bill includes \$31,939,000 for continuation of construction on four major reclamation projects, the Davis Dam project, the Colorado-Big Thompson project, the Central Valley project, and the Columbia Basin project. This sum is required to permit orderly, efficient, and continuous construction under certain existing contracts during the remainder of the present fiscal year and also will permit the Bureau of Reclamation to award a few small contracts which are necessary in connection with the progress of work under existing contracts. Funds contained in the bill will permit the Bureau to place orders at an early date for three additional turbines and generating units (R. 4, 5, and 6) for the right side of the Grand Coulee Dam powerhouse and to perform preparatory work in connection with installation.

In addition to the approval of the full Budget estimate of \$29,375,000 the committee has added an additional sum of \$2,564,000 for work not contemplated in the Budget submission.

Of this increase, \$705,000 is provided to accelerate construction work in the Central Valley project on certain canals which will hasten the date when water can be provided to areas where a supplemental supply is urgently needed. Although this project has been under construction for more than 10 years little or no water has been placed on the land, the major effort having been centered on power development. The committee believes that irrigation development, which was the primary purpose of the original 1902 reclamation law, hereafter should be given prior consideration in the construction of this project. The additional amounts recommended by the committee for the Central Valley project are as follows:

Description of work	Estimated date of award of contract	Additional amount recommended by committee
13.6 miles of Delta-Mendota Canal.....	Jan. 20, 1948	\$150,000
15 miles of Delta-Mendota Canal.....	Apr. 1, 1948	30,000
14.3 miles of Friant Kern Canal.....	Feb. 1, 1948	525,000
Total		705,000

The committee has allowed the Budget estimate of \$11,725,000 for the Columbia Basin project and has added thereto an additional \$1,859,000, making a total of \$13,584,000 available for the project. As

heretofore stated, the amount provided in the Budget estimate will permit continuation of existing contracts at an economic rate and the ordering of three additional generating units for the right side of the dam. The additional amount of \$1,859,000 approved by the committee is essential to expedite work on the spillway bucket, for irrigation facilities, and for certain power facilities in connection with the installation of three new generators now being installed. Funds for the purchase and installation of these power facilities must be provided promptly or, the committee is advised, there will be a delay of 6 months or longer in the date when these new generators can be placed in operation. This delay would result in a loss of revenue amounting to about \$2,730,000. The committee also has added \$350,000 to the Budget estimate of \$150,000, making an additional amount of \$500,000 available for the Columbia Basin land-purchase program. These funds are required to purchase holdings which recently have been offered to the Bureau for sale and for which the Bureau did not have sufficient funds. Early acquisition is essential to the development of the program.

The increases in the Budget estimate for the Columbia Basin project as recommended by the committee are as follows:

<i>Description of work</i>	<i>Additional amounts recommended by committee</i>
Joint facilities; Spillway bucket repairs-----	\$120, 000
Power facilities:	
Right powerhouse and tailrace-----	378, 000
Left generating units-----	7, 000
Right generating units-----	274, 000
Left switchyards and equipment-----	2, 000
Right switchyards and equipment-----	373, 000
Irrigation facilities:	
Grand Coulee pumping plant-----	270, 000
North Dam-----	25, 000
Feeder Canal-----	35, 000
Reservoir rights-of-way-----	25, 000
Columbia Basin land-purchase program-----	350, 000
Total-----	1, 859, 000

The committee has approved the Budget estimate of \$2,800,000 for the Davis Dam project, Arizona-Nevada, and the estimate of \$4,150,000 for the Colorado-Big Thompson project, Colorado, funds for the latter project being provided with the understanding that no part of the amount allowed will be used for engineering and administration.

The following table sets forth in detail the amounts which will be available for expenditure during the fiscal year 1948 in connection with the above projects:

Project	Regular appropriation, 1948	Unexpended balance, June 30, 1947	Supplemental amount contained in bill, 1948	Total amount available, 1948
Davis Dam project, Arizona-Nevada-----	\$9, 700, 000	\$3, 981, 677	\$2, 800, 000	\$16, 481, 677
Colorado-Big Thompson project, Colorado-----	9, 500, 000	3, 429, 776	4, 150, 000	17, 079, 776
Central Valley project, California-----	9, 141, 288	26, 414, 652	11, 405, 000	46, 960, 940
Columbia Basin project, Washington-----	17, 500, 000	9, 376, 274	13, 584, 000	40, 460, 274
Total-----	45, 841, 288	43, 202, 379	31, 939, 000	120, 982, 667

THE THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948—COMPARATIVE STATEMENT OF THE AMOUNTS OF
THE BUDGET ESTIMATES AND OF THE AMOUNTS RECOMMENDED TO BE APPROPRIATED BY THE BILL

House Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or de- crease (-), bill com- pared with budget estimate
	GENERAL APPROPRIATIONS			
	LEGISLATIVE			
	HOUSE OF REPRESENTATIVES			
	Beneficiaries of deceased Representatives.....	-----	\$25, 000	+\$25, 000
	FUNDS APPROPRIATED TO THE PRESIDENT			
	EUROPEAN INTERIM AID			
435	European interim aid.....	\$597, 000, 000	509, 000, 000	-88, 000, 000
	FEDERAL SECURITY AGENCY			
	SOCIAL SECURITY ADMINISTRATION			
476	Reconversion unemployment benefits for seamen.....	1, 300, 000	1, 300, 000	-----
476	Miscellaneous expenses, Social Security Administration.....	40, 000	40, 000	-----
	Total, Federal Security Agency.....	1, 340, 000	1, 340, 000	-----
	DEPARTMENT OF THE ARMY			
	CIVIL FUNCTIONS			
467	Government and relief in occupied areas.....	490, 000, 000	230, 000, 000	-260, 000, 000

DEPARTMENT OF THE INTERIOR			
BUREAU OF INDIAN AFFAIRS			
475	Welfare of Indians-----	450, 000	200, 000
			-----250, 000
BUREAU OF RECLAMATION			
GENERAL FUND, CONSTRUCTION			
477	Davis Dam project, Arizona-Nevada-----	2, 800, 000	2, 800, 000
477	Colorado-Big Thompson project, Colorado-----	4, 150, 000	4, 150, 000
477	Central Valley project, California-----	10, 700, 000	11, 405, 000
477	Columbia Basin project, Washington-----	11, 725, 000	13, 584, 000
	Total, Bureau of Reclamation-----	29, 375, 000	31, 939, 000
	Total, Department of the Interior-----	29, 825, 000	32, 139, 000
	Total, General Appropriations-----	1, 118, 165, 000	772, 504, 000
			-----345, 661, 000

C

NOTICE: This bill is given out subject to release when consideration of it has been completed by the Whole Committee. Please check on such action before release in order to be advised of any changes.

[COMMITTEE PRINT]

Union Calendar No.

80TH CONGRESS
1ST SESSION

H. R. 4748

[Report No.]

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 1947

Mr. TABER, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money
- 4 in the Treasury not otherwise appropriated, to supply sup-
- 5 plemental appropriations for the fiscal year ending June 30,
- 6 1948, and for other purposes, namely:

LEGISLATIVE

HOUSE OF REPRESENTATIVES

For payment to Fannie H. Gifford, widow of Charles L. Gifford, late a Representative from the State of Massachusetts, \$12,500.

For payment to Nancy M. Springer, widow of Raymond S. Springer, late a Representative from the State of Indiana, \$12,500.

FUNDS APPROPRIATED TO THE PRESIDENT

EUROPEAN INTERIM AID

European interim aid: To enable the President to carry out the provisions of the Act entitled the "Foreign Aid Act of 1947" (S. 1774, Eightieth Congress) insofar as applicable to Austria, France, and Italy, \$509,000,000: *Provided*, That any administrative expenses which may be incurred by the Department of State in carrying out duties assigned to it under said Act may be paid from any funds available to said Department for administrative expenses, except that funds herein appropriated shall not be available for such purpose: *Provided further*, That none of the funds appropriated or made available by this Act shall be used or made available for use for the acquisition of wheat, wheat flour, or cereal grain in the United States or the shipment thereof from the United States unless the President shall first—

1 (1) survey the requirements of other countries which
2 are dependent upon the United States for a portion of their
3 supplies of such commodities, and

4 (2) estimate the quantities of such commodities which
5 probably will be made available to such countries from the
6 United States, and

7 (3) estimate the total amount of such commodities
8 available for export from the United States to the recipient
9 countries, after giving due consideration to the quantity
10 thereof required in this country^v for wastage, food, feed,
11 seed, and industrial uses, and for the needs of other coun-
12 tries dependent upon the United States for supplies of such
13 commodities. In determining the amount of such com-
14 modities available for export from the United States the
15 President shall allow for a carry-over of wheat in the United
16 States as of July 1, 1948, of not less than one hundred and
17 fifty million bushels, and: *Provided further*, That the funds
18 appropriated in this Act shall not be made available or
19 used to acquire a quantity of wheat, wheat flour, and cereal
20 grain in the United States which, after taking into considera-
21 tion the amount estimated for export to other countries, and
22 the amount needed for domestic consumption in the United
23 States, will leave a carry-over of less than 150,000,000
24 bushels of wheat on July 1, 1948.

25 The losses incurred by agencies of the Government

1 through sales of commodities in accordance with the terms
2 of subsection (e) of section 11 of the Foreign Aid Act of
3 1947 shall not exceed \$50,000,000.

4 FEDERAL SECURITY AGENCY

5 SOCIAL SECURITY ADMINISTRATION

6 Reconversion unemployment benefits for seamen: For
7 an additional amount for "Reconversion unemployment
8 benefits for seamen," \$1,300,000.

9 Miscellaneous expenses, Social Security Administration:
10 For an additional amount for "Miscellaneous expenses,
11 Social Security Administration," \$40,000.

12 DEPARTMENT OF AGRICULTURE

13 The Secretary of Agriculture is hereby authorized, with
14 the approval of the Director of the Bureau of the Budget,
15 to utilize, by transfer or otherwise, during the period between
16 the date of approval of this Act and April 1, 1948, such
17 amounts as may be necessary (but not to exceed a total
18 of \$2,750,000) from any appropriation or fund available to
19 the bureaus, corporations, or agencies of the Department of
20 Agriculture, for expenses necessary to carry out (a) any
21 laws enacted subsequent to December 1, 1947, to (1) au-
22 thorize the regulation of speculative trading on the commodity
23 exchanges and (2) authorize allocation and inventory control
24 of scarce agricultural commodities; and (b) any programs
25 approved by the President under existing laws to encourage

1 (1) conservation practices in this country and (2) the mar-
2 keting of livestock and poultry in weights and grades that
3 represent the most efficient utilization of grain: *Provided*,
4 That, notwithstanding any other provision of the appropria-
5 tion laws concerned, any funds utilized under authority of this
6 paragraph by any bureau, corporation, or agency of such
7 Department shall be in addition to any other funds available
8 to such bureau, corporation, or agency: *Provided further*,
9 That at the end of each calendar month the Secretary shall
10 make a report to the Committees on Appropriations of the
11 House of Representatives and the Senate of obligations
12 incurred pursuant to this paragraph.

13 DEPARTMENT OF THE ARMY

14 CIVIL FUNCTIONS

15 Government and relief in occupied areas: For an addi-
16 tional amount for "Government and relief in occupied areas",
17 \$230,000,000.

18 DEPARTMENT OF COMMERCE

19 The Secretary of Commerce is hereby authorized, with
20 the approval of the Director of the Bureau of the Budget,
21 to utilize, by transfer or otherwise, during the period between
22 the date of approval of this Act and April 1, 1948, such
23 amounts as may be necessary (but not to exceed a total
24 of \$750,000) from any appropriation or fund available

1 to any bureau or office of the Department of Commerce,
2 for expenses necessary to carry out any laws enacted subse-
3 quent to December 1, 1947, to (1) extend and strengthen
4 export controls and (2) authorize allocation and inventory
5 control of scarce commodities (other than agricultural com-
6 modities) : *Provided*, That, notwithstanding any other pro-
7 vision of the appropriation laws concerned, any funds utilized
8 under authority of this paragraph by any bureau or office
9 of such Department shall be in addition to any other funds
10 available to any such bureau or office: *Provided further*,
11 That at the end of each calendar month the Secretary shall
12 make a report to the Committees on Appropriations of the
13 House of Representatives and the Senate of obligations
14 incurred pursuant to this paragraph.

15 DEPARTMENT OF THE INTERIOR

16 BUREAU OF INDIAN AFFAIRS

17 Welfare of Indians: For an additional amount for "Wel-
18 fare of Indians," including the objects specified under this
19 head in the Interior Department Appropriation Act, 1948,
20 \$200,000.

21 Advance to Navajo Tribe of Indians (tribal funds) :
22 For advance to the Navajo Tribe of Indians to reimburse
23 the tribal sawmill enterprise for emergency relief expendi-
24 tures, \$100,000, payable from funds held by the United
25 States in trust for said Indians.

BUREAU OF RECLAMATION

GENERAL FUND, CONSTRUCTION

Construction: For additional amounts for continuation of construction of the following projects, to remain available until expended, and to be subject to such limitations and restrictions as may be applicable to appropriations for such purposes in the Interior Department Appropriation Act, 1948, or other law, as follows:

Davis Dam project, Arizona-Nevada, \$2,800,000.

Colorado-Big Thompson project, Colorado, \$4,150,000.

Central Valley project, California: Joint facilities, \$1,273,600; irrigation facilities, \$8,771,600; power facilities, Shasta power plant, \$700,000, Keswick Dam, \$145,000, Keswick power plant, \$514,800; in all, \$11,405,000.

Columbia Basin project, Washington, \$13,584,000.

TITLE II

GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force

1 or violence: *Provided*, That for the purposes hereof an affi-
2 davit shall be considered prima facie evidence that the person
3 making the affidavit has not, contrary to the provisions of
4 this section, engaged in a strike against the Government of
5 the United States, is not a member of an organization of
6 Government employees that asserts the right to strike against
7 the Government of the United States, or that such person
8 does not advocate, and is not a member of an organization
9 that advocates, the overthrow of the Government of the
10 United States by force or violence: *Provided further*, That
11 any person who engages in a strike against the Government
12 of the United States or who is a member of an organization
13 of Government employees that asserts the right to strike
14 against the Government of the United States, or who ad-
15 vocates, or who is a member of an organization that advo-
16 cates, the overthrow of the Government of the United States
17 by force or violence and accepts employment the salary or
18 wages for which are paid from any appropriation contained
19 in this Act shall be guilty of a felony and, upon conviction,
20 shall be fined not more than \$1,000 or imprisoned for not
21 more than one year, or both: *Provided further*, That the
22 above penalty clause shall be in addition to, and not in
23 substitution for, any other provisions of existing law.

24 SEC. 202. This Act may be cited as the "Third Sup-
25 plemental Appropriation Act, 1948."

[COMMITTEE PRINT]

Union Calendar No.

80TH CONGRESS
1ST Session

H. R.

[Report No.]

A BILL

Making supplemental appropriations for the
fiscal year ending June 30, 1948, and for
other purposes.

By Mr. TABER

DECEMBER 16, 1947

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

THE THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948

DECEMBER 16, 1947.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. TABER, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 4748]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

The estimates upon which the bill is based are contained in House Documents Nos. 435, 467, 475, 476, 477.

INTERIM AID

The committee has had under consideration an estimate of \$597,000,000, which was submitted by the President at the same time that he delivered his message to the Congress requesting authorization of a relief program for France, Italy, and Austria. The committee has had the advantage of extensive hearings held by the House and Senate committees having jurisdiction over the basic legislation as well as the debates of the two houses on all the issues pertinent to the appropriation. The committee has had extensive hearings of its own and has sought information from the statistical agencies of the Government and other sources with a view to assuring itself of availability of supplies before making funds available. Under those circumstances the committee should be as fully informed as it is possible to be on any public question before rendering judgment, but reluctantly must confess that such is not the case.

Long hours spent in studying statistical tables on production of commodities, shipping facilities, the needs of our own people, and the probable impact on our own economy of draining off the rather considerable quantities proposed have left many members of the committee wholly unsatisfied as to the reliability of the statistics

before them, inasmuch as the statistics from various agencies too often disagree. As an example, the Secretary of Agriculture on December 6 supplied the committee with figures, shown on page 7 of the hearings, giving the total probable disposition of wheat in the United States for the year beginning July 1, 1947, as follows:

	<i>Bushels</i>
Food.....	510, 000, 000
Feed.....	250, 000, 000
Seed.....	85, 000, 000
Total.....	845, 000, 000

The November edition of Agricultural Outlook Charts, 1948, published by the United States Department of Agriculture and just released, but the information for which was undoubtedly available at the time the Secretary appeared before the committee shows, on page 58, the following disposition of wheat in the United States for the year beginning July 1, 1947:

	<i>Bushels</i>
Food.....	510, 000, 000
Feed.....	325, 000, 000
Seed.....	87, 500, 000
Industrial uses.....	5, 000, 000
Total.....	927, 500, 000

This estimate, from the same department on the same subject, almost simultaneously uttered, exceeded to the amount of 82,500,000 bushels the probable consumption of wheat in the United States as estimated by the Secretary—a difference of almost 10 percent. Close interrogation of the persons responsible for planning the program leads to misgivings as to whether the plans are well thought out and are practicable in their approach to the problems to be met. Few have realized that the United States is no longer in the position of having burdensome, market-depressing surpluses of such commodities as wheat, but now has on hand stocks which in the next few months, unless there is an ideal crop year in 1948, may be reduced to dangerously low levels inadequate for the feeding of our own people regardless of prices or other considerations. Factors of this kind cannot be left out of the equation in determining the amount which the United States should supply to aid other countries.

One of the most acute problems, and certainly one of primary importance, facing the countries of Europe today is the instability of their currency. It is a well known fact that in France, for example, producers of food and other commodities withhold an inordinately large proportion of their production from the normal channels of trade inasmuch as they prefer to barter, and trade on black markets, for other commodities, vehicles, clothing or other items which they may need. Their reason is simple. If their surplus supplies were sold in the normal channels of trade, they would have no assurance that they had actually received anything for their labors as the value of the currency in circulation fluctuates so widely. They can make an exchange on a barter basis and know that they have acquired something for which they have use.

The cornerstone of economic recovery of Europe is a stable monetary system, and, unless and until stable recognized currency is in circulation in the various countries of Europe, efforts toward economic recovery will be fruitless. It is true that many of the governments

on the continent of Europe today are unstable, but no government is more secure in the minds and hearts of its people than is the money in their pockets.

While the value of money is directly dependent upon the faith and credit of the government that issued it, governments can, through sound aggressive action, so support their currencies and control the circulation thereof as to contribute markedly toward bringing about stable market conditions within their borders and reestablish the normal flow of merchandise from producer to consumer.

The present aid program is on a purely temporary basis and has been presented as only a stop-gap measure. Real economic recovery is somewhere in the future. No assistance of lasting benefit can be rendered and no permanent improvement in the economic condition of the peoples involved can be expected until the currency situation has been forthrightly met. The Government of the United States should make it perfectly clear to the governments on the continent of Europe that this is their first responsibility and that the meeting of this responsibility with fortitude and integrity will do much to avoid the necessity of outside assistance in the future.

While the committee is far from convinced that the program is sound or that it will be efficiently administered, it does recognize the need to be met and that the present bill offers the only opportunity to provide such assistance as the United States may be in a position to render. Therefore, it has determined to approve the program in basic form with certain exceptions hereafter explained.

The House adopted as an amendment to S. 1774 the so-called Andresen amendment which had for its purpose the maintenance of adequate stocks of wheat in the United States, but this amendment was so modified in conference as to render it nugatory.

Because of the vital necessity of insuring the maintenance of minimum domestic requirements, the appropriation as reported to the House carries a limitation on the use of the funds which is largely in the same terminology as the original Andresen amendment but which is so worded as to be operative.

The authorizing bill, S. 1774, carries \$597,000,000 for France, Italy, China, and Austria. No definite amount for China was earmarked in the bill, but the legislative history clearly indicated that it was the intention of the House Committee on Foreign Affairs that \$60,000,000 be set aside for China. When interrogated in the course of debate in the House, Representative Judd of Minnesota, the author in the Foreign Affairs Committee of the amendment relating to China, after pointing out that Secretary of State Marshall is expected to lay a program for China before the Congress in the near future, stated:

Until he submits it I do not believe the Committee on Appropriations is under obligation to bring in any appropriation for China and in fact should not bring in any appropriation for China.

Therefore, the committee has included no provision for China in the appropriation.

The program for aid to the various countries included a statement of resources available in those countries and the proposed disposition of such resources as a basis for determining the amount of aid necessary from the United States. These resources must be taken into account in determining to what extent the United States should render

assistance inasmuch as all of the funds provided, whether now in the hands of the recipient countries or to be paid out of the United States Treasury, must be looked on as one fund available for the needs of the countries to be aided. It has been shown that France has available \$228,000,000 to which is to be added such amount as may be available from the United States appropriation. It was stated to the committee that France expects to use \$66,000,000 between December 1, 1947, and March 30, 1948, for the following purposes:

Service of foreign debt.....	\$26, 000, 000
Payment to Belgium on commercial account.....	17, 000, 000
Payment to Brazil on commercial account.....	3, 000, 000
Additional contribution to International Monetary Fund.....	10, 000, 000
Administrative and other expenditures.....	10, 000, 000

It was stated that Italy has available \$159,000,000 for the period December 1, 1947, to March 30, 1948, and of this amount expected to spend \$22,000,000 for the following allegedly invisible items:

Payment to U. S. for settlement of certain war claims of U. S. Nationals against Italy (Lombardo Agreement, December 1947).....	\$5, 000, 000
Partial repayment of Export-Import Bank 1946 Cotton Loan.....	7, 000, 000
Interest on U. S. Surplus Property Credit.....	4, 000, 000
Diplomatic Expenditures, pre-war bond settlement, interest payments, and miscellaneous financial items.....	6, 000, 000

It is the judgment of the committee that wherever possible items of these types should be deferred by the creditors and that the Governments of France and Italy should divert every available resource of their own to the care and feeding of their own people during the winter months. The expenditure of funds for such items serves only to increase the burden which must be borne by the American taxpayer and it is exactly the same as if the Congress appropriates money to pay the debts of France and Italy. The committee has reduced the amount by \$88,000,000 and recommends an appropriation of \$509,000,000. This will leave \$88,000,000 in reserve for future consideration in the event a program for China is presented, or if in the future justification can be presented for any other authorized project.

FEDERAL SECURITY AGENCY

The committee recommends approval of budget estimates totaling \$1,340,000 for reconversion unemployment benefits for seamen. For this purpose the original estimate for the fiscal year 1948 was \$994,000 and the Congress appropriated \$900,000. It was stated at the time the original estimates were presented to the Congress that they were purely guesswork inasmuch as this was a new law and there was no basis for determining probable case load. Though Congress has been in session since November 17 and testimony before the committee was to the effect that the Bureau of the Budget was advised on November 24th of the depletion of this appropriation, no estimate was submitted until December 13, and the committee was not apprised of the situation by the Bureau of the Budget until 6 o'clock on the evening of December 12. The case load has been far in excess of the best guess of the officials charged with the administration of the act, and funds were exhausted and payments suspended with the week ending December 13. No further payments can be made until the supplemental appropriation is available. The committee is in hope that

the appropriation can be made available in time to avoid delaying payments, but has moved with all possible speed. Had the Bureau of the Budget taken prompt action upon learning of the situation instead of unnecessarily delaying for 3 weeks on so obvious a case, there would have been no question of securing an appropriation in time.

DEPARTMENTS OF AGRICULTURE AND COMMERCE

Legislation is now pending to carry out points 3 and 7 of the anti inflation program recommended by the President in his message to Congress on November 17 and stated on pages 6 and 7 of House Document No. 430, Eightieth Congress, and in all probability some legislation along this line will be enacted prior to the first of the year. It will not be possible, however, for the Bureau of the Budget to process estimates and make them available for consideration by the Congress until in January, thereby delaying the effectiveness of such legislation until such time, probably after the first of February, as the Congress could enact the necessary appropriations to carry them out.

The committee is also advised that the Department of Agriculture is preparing to institute measures, within the framework of existing law to induce the marketing of livestock and poultry at weights and grades that represent the most efficient utilization of grain, to encourage conservation of food and to increase production of foods in foreign countries (points 5 and 6 of the President's program as stated on p. 7 of H. Doc. 430, 80th Cong.). However, in order to make such measures effective it may be necessary for the Department to expend funds in excess of amounts now available for offices and corporations involved, and the Bureau of the Budget advises that they are not yet in a position to submit detailed estimates. These estimates also will not be available for action by Congress until after the first of the year.

The committee has carefully considered these situations and in order to prevent any delay in the effective date of the various programs has included authority in the accompanying bill for the Secretary of Commerce and the Secretary of Agriculture to utilize other funds of their respective departments for these purposes between the date of enactment of the bill into law and April 1, 1948. It will be necessary, of course, to make appropriations in the next deficiency appropriation bill to replenish such appropriations and funds as are drawn upon for these purposes. In the meantime it will be possible for the committee to give careful consideration to the activities of the Departments and their estimates of requirements for the remainder of the year.

The bill limits the amount which may be expended by the Department of Agriculture to \$2,750,000 and the Department of Commerce to \$750,000 and provides that all funds so used shall be approved by the Director of the Budget, and that each such department shall render a report at the end of each calendar month of funds obligated.

It is with the greatest reluctance that the committee recommends this method of providing funds to executive agencies and does so in this instance only because of the fact that the Budget advises it will be impossible for them to submit detailed estimates on which Congress might take action in the normal manner in time to permit immediate operation of the new programs. The Director of the Budget and the

Secretaries of Commerce and Agriculture are expected to scrutinize most carefully any expenditure under this broad authority.

The committee was advised by the Budget that the Treasury Department has available in the appropriation for the issuance and marketing of Government securities from 4 to 5 million dollars, which would be adequate for the purpose, available for any bond drives that the President might elect to initiate. If he fails to do this, the responsibility will be his.

DEPARTMENT OF THE ARMY

CIVIL FUNCTIONS

The request for appropriation of \$490,000,000 carried in House Document 467, is to provide supplemental funds for Germany in the amount of \$319,357,352; for Japan and Ryukyus in the amount of \$138,369,474; for Korea in the amount of \$27,301,637; and for Austria in the amount of \$4,971,537. In accordance with the Rules of Land Warfare and the Hague Convention, the occupation of former enemy territory carries with it the obligation to assure at least a minimum subsistence diet for the civilian populations thereof. It has been the expectation of the occupying forces in the American and British zones of occupation to provide a diet of some 1,800 calories, expecting to reach that goal near the end of the present fiscal year. The committee is informed that at the present time it has been possible to reach about a 1,450 calory diet in both zones, but to do that it has been necessary to use appropriated funds at a rate that will exhaust those funds before the end of the present fiscal year. The reasons it has been necessary to expend funds at a more rapid rate than was anticipated are, prices of commodities required have increased, the production of indigenous foods has not reached expectations due to weather conditions, and in the case of Germany in addition to the reasons just mentioned the taking over by America of a part of the feeding in the British zone. Of the \$319,357,352 requested for use in Germany \$237,000,000 is estimated as the cost to this Government of feeding in the British zone, the balance being required due to other reasons above mentioned.

The committee has held extensive and exhaustive hearings and is not satisfied from the facts developed that there is a proper basis for the appropriation of the funds requested for the taking over of the cost of feeding in the British zone of occupation to the extent requested. It is the opinion of the committee that before a program of the magnitude proposed be adopted there should be a clear and definite agreement between the two Governments concerned setting forth in plain terms the obligations and responsibilities assumed by each Government, so that the Congress when making appropriations can know exactly the program it is providing for. Realizing that hunger does not wait upon the execution of agreements, the committee recommends the appropriation of \$100,000,000 to carry the program until a proper agreement can be entered into. In considering the terms of such agreements, attention should be directed to the fact that information presented to the committee indicates that administrative costs in the British zone are excessive. Such costs should be reduced in order that the funds might be used toward the purchase of essential foodstuffs.

In the amounts first above mentioned there is included funds to make purchases under the program until June 30, 1948, at which time there will be in the so-called pipe line an amount of food sufficient to carry the feeding program well into September. The committee has carefully considered the facts and has determined that there are too many variables, such as harvests, etc., to justify it in recommending the appropriation requested. Accordingly, it is the opinion of the committee that this request should be reduced in the amount of \$123,000,000, the approximate cost of food to be used after June 30, 1948.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

The committee has considered an estimate of \$450,000 for relief of the Navajo and Hopi Tribes of Indians and recommends the appropriation of \$200,000. There is no question as to the immediate need of many of these people, and the committee is anxious to make every necessary provision for them. It is estimated by the Assistant Secretary of the Interior, who appeared before the committee, that there are 5,000 persons on the reservation who require assistance during the remainder of the fiscal year and of this number 1,268 are already receiving assistance at the rate of \$5 per month. The estimate was intended to provide \$20 per month for individuals and somewhat lesser allotments where family groups are concerned. The amount recommended by the committee will provide a little over \$10 per person in addition to the amounts of relief now being paid, and it appears to the committee, after studying the situation, that this allowance, coupled with distribution of surplus stocks of potatoes and other food supplies available to the Bureau, will be adequate to meet the need. There are now approximately 65,000 persons on the reservation and the Assistant Secretary of the Interior testified that the reservation is capable of supporting only 35,000, although, based on a population of 65,000, the available land amounts to 250 acres per person. The conditions in which these people are now living is not of their own making but is directly the result of the short-sighted policies of the Bureau of Indian Affairs. On December 9, 1947, the House passed H. R. 4627 authorizing appropriations of \$2,000,000 to provide for a program of rehabilitation which has for its purpose the establishment of the Navajo and Hopi peoples on a self-sustaining basis. The passage of legislation is futile, however, unless the agency charged with the administration of such legislation is staffed with people who have the desire as well as the capacity to carry it forward to administrative fruition.

The estimate also included \$50,000 for the employment of additional personnel to administer the program, but testimony developed the fact that the Bureau of Indian Affairs now has in excess of 1,000 employees on the reservation which is 1 employee for every 65 Indians. There seems to be no logical reason why the Bureau cannot find in that number sufficient personnel to administer this program. Furthermore, the committee feels that the Bureau should review its personnel situation with a view to securing more medical service and

to carrying on a developmental program which will put these two tribes on a self-sustaining basis.

The relief afforded by the recommended appropriation is only temporary in character and will do nothing toward placing the Indians in a position to live on their own resources.

BUREAU OF RECLAMATION

The bill includes \$31,939,000 for continuation of construction on four major reclamation projects, the Davis Dam project, the Colorado-Big Thompson project, the Central Valley project, and the Columbia Basin project. This sum is required to permit orderly, efficient, and continuous construction under certain existing contracts during the remainder of the present fiscal year and also will permit the Bureau of Reclamation to award a few small contracts which are necessary in connection with the progress of work under existing contracts. Funds contained in the bill will permit the Bureau to place orders at an early date for three additional turbines and generating units (R. 4, 5, and 6) for the right side of the Grand Coulee Dam powerhouse and to perform preparatory work in connection with installation.

In addition to the approval of the full Budget estimate of \$29,375,-000 the committee has added an additional sum of \$2,564,000 for work not contemplated in the Budget submission.

Of this increase, \$705,000 is provided to accelerate construction work in the Central Valley project on certain canals which will hasten the date when water can be provided to areas where a supplemental supply is urgently needed. Although this project has been under construction for more than 10 years, little or no water has been placed on the land, the major effort having been centered on power development. The committee believes that irrigation development, which was the primary purpose of the original 1902 reclamation law, hereafter should be given prior consideration in the construction of this project. The additional amounts recommended by the committee for the Central Valley project are as follows:

Description of work	Estimated date of award of contract	Additional amount recommended by committee
13.6 miles of Delta-Mendota Canal.....	Jan. 20, 1948	\$150,000
15 miles of Delta-Mendota Canal.....	Apr. 1, 1948	30,000
14.3 miles of Friant-Kern Canal.....	Feb. 1, 1948	525,000
Total.....		705,000

The committee has allowed the Budget estimate of \$11,725,000 for the Columbia Basin project and has added thereto an additional \$1,859,000, making a total of \$13,584,000 available for the project. As heretofore stated, the amount provided in the Budget estimate will permit continuation of existing contracts at an economic rate and the ordering of three additional generating units for the right side of the dam. The additional amount of \$1,859,000 approved by the committee is essential to expedite work on the spillway bucket, for irrigation facilities, and for certain power facilities in connection with the

installation of three new generators now being installed. Funds for the purchase and installation of these power facilities must be provided promptly or, the committee is advised, there will be a delay of 6 months or longer in the date when these new generators can be placed in operation. This delay would result in a loss of revenue amounting to about \$2,730,000. The committee also has added \$350,000 to the Budget estimate of \$150,000, making an additional amount of \$500,000 available for the Columbia Basin land-purchase program. These funds are required to purchase holdings which recently have been offered to the Bureau for sale and for which the Bureau did not have sufficient funds. Early acquisition is essential to the development of the program.

The increases in the Budget estimate for the Columbia Basin project as recommended by the committee are as follows:

<i>Description of work</i>	<i>Additional amounts recommended by committee</i>
Joint facilities: Spillway bucket repairs-----	\$120, 000
Power facilities:	
Right powerhouse and tailrace-----	378, 000
Left generating units-----	7, 000
Right generating units-----	274, 000
Left switchyards and equipment-----	2, 000
Right switchyards and equipment-----	373, 000
Irrigation facilities:	
Grand Coulee pumping plant-----	270, 000
North Dam-----	25, 000
Feeder Canal-----	35, 000
Reservoir rights-of-way-----	25, 000
Columbia Basin land-purchase program-----	350, 000
Total-----	1, 859, 000

The committee has approved the Budget estimate of \$2,800,000 for the Davis Dam project, Arizona-Nevada, and the estimate of \$4,150,000 for the Colorado-Big Thompson project, Colorado, funds for the latter project being provided with the understanding that no part of the amount allowed will be used for engineering and administration.

The following table sets forth in detail the amounts which will be available for expenditure during the fiscal year 1948 in connection with the above projects:

Project	Regular appropriation, 1948	Unexpended balance, June 30, 1947	Supplemental amount contained in bill, 1948	Total amount available, 1948
Davis Dam project, Arizona-Nevada-----	\$9, 700, 000	\$3, 981, 677	\$2, 800, 000	\$16, 481, 677
Colorado-Big Thompson project, Colorado-----	9, 500, 000	3, 429, 776	4, 150, 000	17, 079, 776
Central Valley project, California-----	9, 141, 288	26, 414, 652	11, 405, 000	46, 960, 940
Columbia Basin project, Washington-----	17, 500, 000	9, 376, 274	13, 584, 000	40, 460, 274
Total-----	45, 841, 288	43, 202, 379	31, 939, 000	120, 982, 667

THE THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948—COMPARATIVE STATEMENT OF THE AMOUNTS OF
THE BUDGET ESTIMATES AND OF THE AMOUNTS RECOMMENDED TO BE APPROPRIATED BY THE BILL

House Doc. No.	Department or agency	Amount of budget estimate	Amount recommended in the bill	Increase (+) or de- crease (-), bill com- pared with budget estimate
	GENERAL APPROPRIATIONS			
	LEGISLATIVE			
	SENATE			
	Mileage for Senators.....	-----	\$51, 000	+ \$51, 000
	HOUSE OF REPRESENTATIVES			
	Beneficiaries of deceased Representatives.....	-----	25, 000	+ 25, 000
	Mileage of Representatives.....	-----	171, 000	+ 171, 000
	Total, Legislative Establishment.....	-----	247, 000	+ 247, 000
	FUNDS APPROPRIATED TO THE PRESIDENT			
	EUROPEAN INTERIM AID			
435	European interim aid.....	\$597, 000, 000	509, 000, 000	- 88, 000, 000
	FEDERAL SECURITY AGENCY			
	SOCIAL SECURITY ADMINISTRATION			
476	Reconversion unemployment benefits for seamen.....	1, 300, 000	1, 300, 000	-----
476	Miscellaneous expenses, Social Security Administration.....	40, 000	40, 000	-----
	Total, Federal Security Agency.....	1, 340, 000	1, 340, 000	-----

467	DEPARTMENT OF THE ARMY CIVIL FUNCTIONS Government and relief in occupied areas-----	490, 000, 000	230, 000, 000	-260, 000, 000
475	DEPARTMENT OF THE INTERIOR BUREAU OF INDIAN AFFAIRS Welfare of Indians-----	450, 000	200, 000	-250, 000
477	BUREAU OF RECLAMATION GENERAL FUND, CONSTRUCTION Davis Dam project, Arizona-Nevada-----	2, 800, 000	2, 800, 000	-----
		4, 150, 000	4, 150, 000	-----
477	Colorado-Big Thompson project, Colorado-----	10, 700, 000	11, 405, 000	+705, 000
477	Central Valley project, California-----	11, 725, 000	13, 584, 000	+1, 859, 000
477	Columbia Basin project, Washington-----	29, 375, 000	31, 939, 000	+2, 564, 000
	Total, Bureau of Reclamation-----	29, 825, 000	32, 139, 000	+2, 314, 000
	Total, Department of the Interior-----	1, 118, 165, 000	772, 726, 000	-345, 439, 000
Total, General Appropriations-----				

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80TH CONGRESS
1ST SESSION

H. R. 4748

[Report No. 1191]

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 1947

Mr. TABER, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply sup-
5 plemental appropriations for the fiscal year ending June 30,
6 1948, and for other purposes, namely:

7 LEGISLATIVE

8 SENATE

9 SALARIES, MILEAGE, AND EXPENSES OF SENATORS

10 For additional mileage of the President of the Senate
11 and of Senators, at the rate authorized by law, \$51,000.

HOUSE OF REPRESENTATIVES

1

2 For payment to Fannie H. Gifford, widow of Charles
3 L. Gifford, late a Representative from the State of Mas-
4 sachusetts, \$12,500.

5 For payment to Nancy M. Springer, widow of Raymond
6 S. Springer, late a Representative from the State of Indiana,
7 \$12,500.

8 SALARIES, MILEAGE, AND EXPENSES OF MEMBERS

9 For additional mileage of Members of the House of
10 Representatives, Delegates from Territories, and the Resident
11 Commissioner from Puerto Rico, at the rate authorized by
12 law, \$171,000.

13 FUNDS APPROPRIATED TO THE PRESIDENT

14 EUROPEAN INTERIM AID

15 European interim aid: To enable the President to carry
16 out the provisions of the Act entitled the "Foreign Aid
17 Act of 1947" (S. 1774, Eightieth Congress) insofar as
18 applicable to Austria, France, and Italy, \$509,000,000:
19 *Provided*, That any administrative expenses which may be
20 incurred by the Department of State in carrying out duties
21 assigned to it under said Act may be paid from any funds
22 available to said Department for administrative expenses,
23 except that funds herein appropriated shall not be available
24 for such purpose: *Provided further*, That none of the funds
25 appropriated or made available by this Act shall be used or

1 made available for use for the acquisition of nitrates or
2 nitrogenous fertilizer, or petroleum products, or wheat, wheat
3 flour, or cereal grain in the United States or the shipment
4 thereof from the United States unless the President shall
5 first—

6 (1) survey the requirements of other countries which
7 are dependent upon the United States for a portion of their
8 supplies of such commodities, and

9 (2) estimate the quantities of such commodities which
10 probably will be made available to such countries from the
11 United States, and

12 (3) estimate the total amount of such commodities
13 available for export from the United States to the recipient
14 countries, after giving due consideration to the quantity
15 thereof required in this country to meet essential domestic
16 needs and for wastage, food, feed, seed, and industrial
17 uses, and for the needs of other countries dependent
18 upon the United States for supplies of such commod-
19 ities. In determining the amount of such commodities
20 available for export from the United States the Presi-
21 dent shall allow for a carry-over of wheat in the United
22 States as of July 1, 1948, of not less than one hundred and
23 fifty million bushels, and: *Provided further*, That the funds
24 appropriated in this Act shall not be made available or
25 used to acquire a quantity of wheat, wheat flour, and cereal

1 grain in the United States which, after taking into considera-
2 tion the amount estimated for export to other countries, and
3 the amount needed for domestic consumption in the United
4 States, will leave a carry-over of less than 150,000,000
5 bushels of wheat on July 1, 1948.

6 The losses incurred by agencies of the Government
7 through sales of commodities in accordance with the terms
8 of subsection (e) of section 11 of the Foreign Aid Act of
9 1947 shall not exceed \$50,000,000.

10 FEDERAL SECURITY AGENCY

11 SOCIAL SECURITY ADMINISTRATION

12 Reconversion unemployment benefits for seamen: For
13 an additional amount for "Reconversion unemployment
14 benefits for seamen," \$1,300,000.

15 Miscellaneous expenses, Social Security Administration:
16 For an additional amount for "Miscellaneous expenses,
17 Social Security Administration," \$40,000.

18 DEPARTMENT OF AGRICULTURE

19 The Secretary of Agriculture is hereby authorized, with
20 the approval of the Director of the Bureau of the Budget,
21 to utilize, by transfer or otherwise, during the period between
22 the date of approval of this Act and April 1, 1948, such
23 amounts as may be necessary (but not to exceed a total
24 of \$2,750,000) from any appropriation or fund available to
25 the bureaus, corporations, or agencies of the Department of

1 Agriculture, for expenses necessary to carry out (a) any
2 laws enacted subsequent to December 1, 1947, to (1) au-
3 thorize the regulation of speculative trading on the commodity
4 exchanges and (2) authorize allocation and inventory control
5 of scarce agricultural commodities; and (b) any programs
6 approved by the President under existing laws to encourage
7 conservation practices in this country: *Provided*, That,
8 notwithstanding any other provision of the appropriation
9 laws concerned, any funds utilized under authority of this
10 paragraph by any bureau, corporation, or agency of such
11 Department shall be in addition to any other funds available
12 to such bureau, corporation, or agency: *Provided further*,
13 That at the end of each calendar month the Secretary shall
14 make a report to the Committees on Appropriations of the
15 House of Representatives and the Senate of obligations
16 incurred pursuant to this paragraph.

17 DEPARTMENT OF THE ARMY

18 CIVIL FUNCTIONS

19 Government and relief in occupied areas: For an addi-
20 tional amount for "Government and relief in occupied areas",
21 \$230,000,000.

22 DEPARTMENT OF COMMERCE

23 The Secretary of Commerce is hereby authorized, with
24 the approval of the Director of the Bureau of the Budget,

1 to utilize, by transfer or otherwise, during the period between
2 the date of approval of this Act and April 1, 1948, such
3 amounts as may be necessary (but not to exceed a total
4 of \$750,000) from any appropriation or fund available
5 to any bureau or office of the Department of Commerce,
6 for expenses necessary to carry out any laws enacted subse-
7 quent to December 1, 1947, to (1) extend and strengthen
8 export controls and (2) authorize allocation and inventory
9 control of scarce commodities (other than agricultural com-
10 modities) : *Provided*, That, notwithstanding any other pro-
11 vision of the appropriation laws concerned, any funds utilized
12 under authority of this paragraph by any bureau or office
13 of such Department shall be in addition to any other funds
14 available to any such bureau or office: *Provided further*,
15 That at the end of each calendar month the Secretary shall
16 make a report to the Committees on Appropriations of the
17 House of Representatives and the Senate of obligations
18 incurred pursuant to this paragraph.

19 DEPARTMENT OF THE INTERIOR

20 BUREAU OF INDIAN AFFAIRS

21 Welfare of Indians: For an additional amount for "Wel-
22 fare of Indians," including the objects specified under this
23 head in the Interior Department Appropriation Act, 1948,
24 \$200,000.

25 Advance to Navajo Tribe of Indians (tribal funds) :

1 For advance to the Navajo Tribe of Indians to reimburse
2 the tribal sawmill enterprise for emergency relief expendi-
3 tures, \$100,000, payable from funds held by the United
4 States in trust for said Indians.

5 BUREAU OF RECLAMATION

6 GENERAL FUND, CONSTRUCTION

7 Construction: For additional amounts for continuation
8 of construction of the following projects, to remain avail-
9 able until expended, and to be subject to such limitations
10 and restrictions as may be applicable to appropriations
11 for such purposes in the Interior Department Appropriation
12 Act, 1948, or other law, as follows:

13 Davis Dam project, Arizona-Nevada, \$2,800,000.

14 Colorado-Big Thompson project, Colorado, \$4,150,000.

15 Central Valley project, California: Joint facilities,
16 \$1,273,600; irrigation facilities, \$8,771,600; power facilities,
17 Shasta power plant, \$700,000, Keswick Dam, \$145,000,
18 Keswick power plant, \$514,800; in all, \$11,405,000.

19 Columbia Basin project, Washington, \$13,584,000.

20 TITLE II

21 GENERAL PROVISIONS

22 SEC. 201. No part of any appropriation contained in
23 this Act shall be used to pay the salary or wages of any
24 person who engages in a strike against the Government of
25 the United States or who is a member of an organization

1 of Government employees that asserts the right to strike
2 against the Government of the United States, or who advo-
3 cates, or is a member of an organization that advocates, the
4 overthrow of the Government of the United States by force
5 or violence: *Provided*, That for the purposes hereof an affi-
6 davit shall be considered prima facie evidence that the person
7 making the affidavit has not, contrary to the provisions of
8 this section, engaged in a strike against the Government of
9 the United States, is not a member of an organization of
10 Government employees that asserts the right to strike against
11 the Government of the United States, or that such person
12 does not advocate, and is not a member of an organization
13 that advocates, the overthrow of the Government of the
14 United States by force or violence: *Provided further*, That
15 any person who engages in a strike against the Government
16 of the United States or who is a member of an organization
17 of Government employees that asserts the right to strike
18 against the Government of the United States, or who ad-
19 vocates, or who is a member of an organization that advo-
20 cates, the overthrow of the Government of the United States
21 by force or violence and accepts employment the salary or
22 wages for which are paid from any appropriation contained
23 in this Act shall be guilty of a felony and, upon conviction,
24 shall be fined not more than \$1,000 or imprisoned for not
25 more than one year, or both: *Provided further*, That the

1 above penalty clause shall be in addition to, and not in
2 substitution for, any other provisions of existing law.

3 SEC. 202. This Act may be cited as the “Third Sup-
4 plemental Appropriation Act, 1948.”

80TH CONGRESS
1ST Session

H. R. 4748

[Report No. 1191]

A BILL

Making supplemental appropriations for the
fiscal year ending June 30, 1948, and for
other purposes.

By Mr. TABER

DECEMBER 16, 1947

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

we Baltimoreans have for our Mayor that I would like to have his remarks printed in the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

[The matter referred to appears in the Appendix.]

NATIONAL HOUSING ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1770) to amend the National Housing Act, as amended, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs WOLCOTT, GAMBLE, SMITH of Ohio, KUNKEL, SPENCE, BROWN of Georgia, and PATMAN.

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948

Mr. TABER, from the Committee on Appropriations, reported the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes (Rept. No. 1191), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate run throughout the day, the time to be equally divided and controlled by the gentleman from Missouri [Mr. CANNON] and myself.

Mr. CANNON. Mr. Speaker, reserving the right to object, I wonder if I could inquire of the gentleman from New York as to the parliamentary situation. It is my understanding that unanimous consent has been secured to report this bill at any time.

Mr. TABER. That is correct, and to take it up immediately when it is reported.

Mr. CANNON. It is also my understanding that consent has been secured to waive all points of order on the bill.

Mr. TABER. That is correct.

Mr. CANNON. There has been a general understanding for a day or two, although perhaps without any specific agreement, that we will endeavor to complete this bill today. It had been our hope to dispose of it in order to expedite adjournment prior to the holidays. We have few requests for time, and I wonder if it would be possible for us to conclude general debate this afternoon, say, about 4 o'clock.

Mr. TABER. Well, if we should, I see no objection to begin reading the bill at that time. I made no limitation in my request that there would be anything in

the nature of a prohibition against reading the bill.

Mr. CANNON. Then in the event that the debate could be concluded by 4 o'clock we would proceed to read the bill for amendment?

Mr. TABER. I would hope that might result.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Mississippi.

Mr. RANKIN. I desire to propound a parliamentary inquiry to the gentleman from Missouri [Mr. CANNON] whom I regard as one of the greatest living parliamentarians. I understood him to say that points of order against the bill had been waived by unanimous consent. Is that correct?

Mr. CANNON. That is the statement of the gentleman from New York who made the request.

Mr. RANKIN. In this bill on page 4 is a section relating to the Department of Agriculture. We have run short of funds in the Rural Electrification Administration, which is under the Department of Agriculture. We need at least \$200,000,000 to carry on the work from now to the end of the present fiscal year. We need a deficiency appropriation of that amount. I should like to know if it is the opinion of the gentleman from Missouri that such an amendment would be in order on this bill?

Mr. CANNON. If it were germane.

Mr. RANKIN. The gentleman knows whether it would be germane or not. You have the Department of Agriculture in the bill, and the REA is under the Department of Agriculture.

Mr. CANNON. A bill of this character which deals with many subjects of one class is of course open to amendment on another item of the same class. It is not open to amendment on proposals of a different class. The gentleman's suggested amendment would involve two questions; first, whether there was sufficient similarity between the subject of the amendment and subjects carried in the bill to render it of the same class, and; second, then whether it was germane.

I might add that I am in heartiest sympathy with the gentleman's amendment. Money loaned for REA is the best investment the United States Government can make and ample funds should be provided to complete all pending projects as expeditiously as possible. The gentleman from Mississippi [Mr. RANKIN] has rendered notable and invaluable service to the people of the United States in this field.

Mr. RANKIN. Then the gentleman is unable to tell me whether or not in his opinion it would be germane?

Mr. CANNON. Not until he has had an opportunity to study the form in which the amendment would be presented.

Mr. RANKIN. I thank the gentleman.

Mr. CANNON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4748, with Mr. HARNESS of Indiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. TABER. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, this bill carries provisions for certain items with reference to the House of Representatives, an item for the so-called emergency foreign aid or European interim aid, an item for the Federal Security Administration, an item for government and relief in occupied territories under the Army, and items for the Department of the Interior under Indian Affairs and Reclamation.

The Committee on Appropriations has reduced the budget estimate of \$597,000,000 for foreign aid to Austria, France, and Italy by \$88,000,000. I will discuss that in a moment. I will say to you that the authorization bill which was presented here called for interim aid to Austria, France, Italy, and China. In bringing in the report upon their bill, the Committee on Foreign Affairs said:

This bill makes it possible for the Committee on Appropriations and the Congress to provide funds for aid to China just as soon as specific recommendations are presented by the Department of State, which Secretary Marshall has indicated will be before Congress convenes in regular session in January 1948.

With the reduction that has been made in this estimate, there will be available for appropriation for China or for any other of the three countries the balance of the authorization of \$88,000,000 whenever a program may be presented that can be justified.

The question has been raised as to what will be the procedure with reference to that. If an appropriation needs to be made for China, thorough hearings will be held, and they will be held as soon as the committee can give the Department an opportunity to go into the situation and make a study of it and make a submission to us. If they do not make a submission I shall be glad to call the committee together for the purpose of hearing what information we may receive from the outside.

With reference to this bill—this reduction of \$88,000,000 is made up on the following basis. The statements that have been made to the committee and the justifications that have been presented provide that France out of her funds, gold that she presently has, her credits that she has, shall pay interest on foreign debts to the tune of \$26,000,000; that she shall pay Belgium on commercial accounts \$17,000,000; to Brazil on commercial accounts \$3,000,000; to make an additional contribution to the International Monetary Fund of \$10,000,000, paying out \$10,000,000 for operation of her foreign affairs and the entertainment that goes with it. That makes a total of \$66,000,000.

The thing is set up in such a way that if we make the appropriation of that amount, we are, in effect, paying the debt of France on those items, and putting up funds for her to operate them. In other

words, if she would use that fund for buying food and fuel for the needy, she would not be in a position where we would have to put up \$66,000,000; and, therefore, in effect, by making an appropriation of that \$66,000,000, we would be providing the funds to pay those items.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JOHNSON of California. In effect, they ask us to pay some current debts they have, in order to reestablish their credit. Is that a fair statement of it?

Mr. TABER. I believe so. If we start in doing that for one country we have got to do it for every country and we have got to go down the line. Frankly, I do not like that approach.

As to Italy, there is a set-up of \$22,000,000 of invisible items. That is what they call them in the State Department. Those invisible items are payment to the United States for settlement of war claims, \$5,000,000.

Partial repayment of Export-Import Bank cotton loan, \$7,000,000.

Interest on United States surplus-property credit, \$4,000,000.

Diplomatic expenditures, prewar bond settlement, interest payments, and miscellaneous financial items, including the diplomatic entertainment, \$6,000,000.

In substance, we are being asked to provide funds to buy food, fuel, fertilizer, and petroleum products for France and Italy to the tune of \$88,000,000 so that they can use their own funds to meet those debts. In other words, instead of obtaining a postponement of those obligations from their creditors, they are asking the people of the United States to pay their debts, and to pay the administrative expenses of France and Italy. To my mind, that is utterly inconsistent, and I cannot go along with it. I do not believe that the people of the United States realize what this part of the bill involves, nor do I believe that the House of Representatives realized what the bill involved.

Why should we, as a relief item designed to feed starving people, pay interest on our own debt, pay for the operation of the French and Italian foreign services and entertainment connected therewith, and try to hide it under the cloak of relief for needy people?

The United States and all of the other countries involved are everyone of them members of the United Nations. In a situation of this kind there must be world cooperation and sacrifice by nations other than the United States. We are willing to go a long way, but we ought not to be willing to bail out everybody else and then let them laugh at us. I believe that it is time we began to realize what we are doing and lay out a program which would have in it some element of fairness to the American people.

The committee has provided \$509,000,000, with no cut on the \$59,000,000 that was estimated for Austria, and a cut of only those items which are manifestly unfair, and which we should not assume, for France and Italy.

I am frankly disturbed about the United States food situation. The Secretary of Agriculture comes before us

and states that out of an estimated crop and carry-over of 1,490,000,000 bushels of wheat we are going to be obliged to have a falling off in domestic consumption. Food, 510,000,000 bushels; feed, 250,000,000 bushels; seed, 85,000,000 bushels; industrial consumption, nothing. Total, 845,000,000 bushels.

As contrasted with that, the Department of Agriculture brings out a document known as the Agricultural Outlook Charts, 1948. On page 58 of that they submit the following table of consumption in the United States: Food, 510,000,000 bushels; feed, 325,000,000 bushels, as against the Secretary's estimate of 250,000,000; seed, 87,500,000 bushels, as against the Secretary's estimate of 85,000,000 bushels; industrial uses, 5,000,000 bushels, as against the Secretary's estimate of none. Total, 927,500,000, indicating that the Department itself is 82,500,000 bushels apart within its own borders.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. AUGUST H. ANDRESEN. On the question of food estimated for human consumption, as far as wheat is concerned they have estimated 510,000,000 bushels which is based upon a population of around 141,000,000 people. We are going to have next January 145,000,000 people, and on a per capita consumption of 3.6 bushels they would need about 530,000,000 bushels of wheat instead of 510,000,000 bushels.

Mr. TABER. The consumption for the first 6 months of this year was given to me. I do not know whether it is correct or not. It was given to me by the International Emergency Food Council, Dr. Fitzgerald, yesterday morning, as 260,000,000 bushels. I do not know how far that would be reflected in the following 6 months. I would, however, anticipate that it would not be less than that but probably more on account of the longer period of colder weather that we will have in the second period.

Mr. AUGUST H. ANDRESEN. Let me say to the gentleman that that figure would be closer to being accurate than the estimate made by the Department in their outlook.

Mr. TABER. I expect that is so.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROBSION. What consideration is given to the weather and the crops for next year? Is that taken into consideration?

Mr. TABER. I will get to that in a minute. On top of that I have a letter before me from Dr. Fitzgerald of the International Emergency Food Council addressed to the gentleman from Massachusetts [Mr. HERTER], indicating that 904,000 tons must go to Italy from the United States in the last half of the present fiscal year as against 706,000 tons set forth in the relative program that we have been holding hearings on, indicating the period is larger but it comes out of the same year's crop. That indicates that there probably will be presented an additional program for 200,000 tons of wheat for Italy, and at least that much

more for France in the last half of the year, and that would mean eighteen to nineteen million bushels more.

Next year's wheat crop instead of being 1,400,000,000 bushels is going to do well to hit 1,000,000,000 bushels. If it runs 1,000,000,000 bushels the surplus is going to be small, if any, and it is not safe for us to allow our wheat supplies to become too greatly depleted. One hundred and fifty million bushels is the minimum carry-over that we can afford to have. The present program for shipments of wheat calls for 457,000,000 bushels to be shipped without counting the regular commercial shipments in the last half of the year. If there is 50,000,000 bushels in addition to that, it will make 507,000,000 bushels. At the present time 339,000,000 bushels of wheat and wheat flour equivalent have been purchased by the Production and Marketing Administration in the Department of Agriculture which means that there must be purchased, in addition thereto, between one hundred sixteen and one hundred sixty million bushels and there is grave doubt if it can be done without upsetting the whole governmental apple cart and raising the price of wheat to such an extent as to start large spirals of inflation.

Therefore, the committee has included a requirement that wheat shall not be purchased for export beyond the point where there will be less than 150,000,000 bushels carry-over into next year's crop.

There are, at the present time, enormous quantities of potatoes, dried fruits, canned and dried vegetables and dried and frozen eggs which should immediately be placed on the market so that they can stabilize the cost of living and keep it from going too high.

These surpluses are in the hands of the Commodity Credit Corporation and can very readily be used for that purpose. A provision has been adopted permitting those items to be sent abroad. The frozen eggs and potatoes should be utilized right in this country for the purpose of helping out the cost-of-living situation.

In order to prevent that situation from becoming absolutely dangerous and inflationary, the committee has adopted an amendment which would limit to \$50,000,000 the amount of funds available to make good a deficiency in the Commodity Credit Corporation's books.

Very generally this bill attempts to try and bring some order out of the chaos of this foreign relief program and to put it on a more sound basis.

There will be left, if this bill passes as it stands, \$88,000,000 of unused authorization which can be used for relief of China or to supplement any other program which is within the authorization, if it can be justified.

Making \$509,000,000 immediately available for this purpose is a lot of money and it, together with the funds that are in the hands of the beneficiary nations, will enable them to meet their problems, insofar as it is possible to meet them and insofar as the feeds, fertilizer, fuel, and phosphates are available.

Now, Mr. Chairman, I want to take a minute or two in reference to the other items in the bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. We were told on the floor in connection with the discussion of the interim aid bill that no authorizations were provided in the bill for funds to France to pay dollars to Belgium or to Brazil. Now, I understand that they were included in the estimate but, apparently, erroneous information was given to the House at that time, not intentionally, but at least we were led to believe there were no such dollar-payment balances.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, I do not think that anybody attempted to deceive the House, but I do know that that situation is as I have presented it here.

In other words, we are being asked to make that \$88,000,000 of appropriations so that France can go ahead and pay her bills and make herself solid—and the same thing is true with Italy—and provide for their administrative expenses and the entertainment connected with their diplomatic services, which are on a larger scale than ours in a great many cases.

Mr. AUGUST H. ANDRESEN. If we do it for France and Italy, certainly there will be a precedent and an obligation for us to do it for all other countries of the world.

Mr. TABER. That is just what I am afraid of.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Is it not a fact also that apparently France has proceeded to make some payments on her commercial agreements with Belgium and Brazil and expects to recoup them out of the dollars saved by the food that we will make available?

Mr. TABER. Well, she has made payments. The last part of the question I am not sure about. It might be so.

Mr. CASE of South Dakota. The point I wanted to make was that the one table which was submitted showing dollar requirements as of October 1 showed expenditures contemplated on per dollar resources, \$30,000,000 to Belgium under the commercial agreement and \$10,000,000 to Brazil under the commercial agreement, whereas the later table shows some of those having been paid.

Mr. TABER. That is correct, but I do not know about the recoupment proposition.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield at that point?

Mr. TABER. I yield.

Mr. AUGUST H. ANDRESEN. France had \$125,000,000 set aside to purchase wheat for the month of December, and when this bill was dated back to December 1 for France, it gave them the opportunity to use that \$125,000,000 for other purposes.

Mr. TABER. That I did not know.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Ohio.

Mr. VORYS. Is it not true that the authorization bill which passed yesterday was exactly like the public aid for the \$350,000,000 relief authorization bill presented last spring in this respect, that both of them were presented arithmetically as balance of payments bills in that we were asked to furnish by way of relief supplies dollar needs in these countries, so that they could in turn be able to use their own dollar resources for other purposes?

Mr. TABER. Well, I did not understand the other bill that way. I did not get that meaning of it when it was up. Maybe that is true.

Mr. VORYS. Well, the gentleman does know that in the report from the Committee on Foreign Affairs it was shown that France, for instance, had other dollar resources and other dollar obligations but had an estimated deficit of \$300,000,000 during this period, and it was that deficit which we were asked to make up subject, of course, to action by the Committee on Appropriations.

Mr. TABER. Well, I assume that that is in the report. I have not seen that part of it.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield myself 10 additional minutes.

Now, with reference to the relief in occupied territories, the picture was presented this way: First there was an item of \$237,000,000 for feeding the people in the British zone of occupation. The agreement with Great Britain has not yet been signed and not yet been mapped out completely. As to that the committee felt that we should presently provide \$100,000,000, so that the feeding could go along but that we should reserve the other until the agreement was signed, so \$137,000,000 was reserved out of that item for that reason.

The estimates presented call for a pipe line which would extend into the middle of September or the first of October, in that territory, and there was a considerable amount of money available for that purpose. On a monthly basis it figured out to \$81,000,000 a month. We deducted that pipe line beyond the 1st of July because we thought that was too far ahead for us to make appropriations. Therefore, we deducted \$137,000,000 plus \$162,000,000, or approximately \$260,000,000 from that figure, and carried \$230,000,000.

These people have a lot of money left available out of the \$600,000,000 that was appropriated to them for relief in occupied territory. The amount expended down to the 1st of December was only \$99,000,000, and the amount obligated was \$199,000,000, leaving a balance of \$400,000,000. So that with this \$230,000,000 we will have available in that picture \$630,000,000 to spend from the first of December on, which is enough until the committee can have another chance to look it over a little later in the year.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Pennsylvania.

Mr. GROSS. I have been wondering about this relief in the occupied countries. For instance, the other day in Harrisburg a German man who is an American citizen came to me and said, "Why doesn't the army of occupation let the German people work and do something for themselves?" I said, "I don't know whether they are doing that or not." He said, "I have a brother over there that wrote me and said, 'It is going to take us 43 years to rebuild ourselves.'" I wrote back and said, "Why do you say 43 years?" He said, "Well, the occupation army is going to be here for 40 years, and when they get out, in 3 years we will be back to normal life again." Maybe there is something in that.

Mr. TABER. There is an awful lot in it, and there is this picture: When I landed in Germany there were over 700,000 of their most active business people who were refused an opportunity to work because they were alleged to be Nazis. We and members of the Herter committee which had preceded us thought it was rather funny that they had not disposed of those cases. Before we left an order was issued that would reduce that number by about 500,000 cases, which might put a good many of those people to work. We have been promised that that would be cleaned up, but the trouble is that they have too many of these people who are not American citizens mixed up in those trials, and they are very hostile to the Germans. We are not getting prompt and effective results. We have been after that picture with the Department hard, and I hope it will have an effect on giving those people an opportunity to go to work. We have a great many things that handicap them in connection with their going to work.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. DONDERO. When you were in Germany, did you discover that Great Britain, France, and Russia had withdrawn from the prosecution of the war criminals and that the United States was proceeding against them alone?

Mr. TABER. I did not know that, but, if that is true, it ought not to be.

Mr. DONDERO. It seems to me that any good will that we have built up in Germany through the efforts of General Clay would be destroyed if that is the situation.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CASE of South Dakota. That is the situation. The prosecution of the so-called war criminals at Nuremberg is being conducted by the United States alone. The British and French are not taking any part in it now.

Mr. TABER. That ought to be ended, and we ought to be through with that operation, and these people ought to go to work.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. KNUTSON. Is it not just possible that these aliens who are employed by this Government to prosecute these cases do not want to let go of a good thing?

Mr. TABER. There is no question about that. On top of that, they do not have the right kind of disposition to create good will and to get rid of the attitude that some of these people have had.

Mr. CASE of South Dakota. Mr. Chairman, if the gentleman will yield further, I might say in that connection that it is the purpose of our Government not to prosecute any cases the indictments on which have not been presented by the 1st of January. They anticipate cleaning up the pending trials by April.

Mr. TABER. That would help, but it ought to be done more quickly than that.

I will not mention the reclamation feature of the bill because I am going to leave that to the gentleman from Iowa [Mr. JENSEN].

There is another item in the bill that I should call attention to. There is a small item for the Federal Security Agency to implement the program for seamen's unemployment compensation, which was authorized by a bill passed here in the House.

There is also an item in the Interior Department part of the bill for the relief for the Navajo and Hopi Indians. We found a rather bad situation there, especially with the management of the thing by the Indian Bureau in the Department of the Interior. We were told there were 1,200 presently on relief, being paid for out of relief funds of the Department, and that there were 3,800 more who should have been on relief. They have a thousand employees on that reservation, and included in that group there was not one single doctor or a single nurse, with the exception of one school nurse. Evidently they have a very large surplus of civilian employees on that reservation. They have evidently done everything they could that would make trouble for these people. For instance, I am informed that in 1930 there were 1,200,000 goats on the reservation and these goats were able to live off of the pasture on the land. They got meat and milk and mohair from the goats and were able to take care of themselves in pretty good shape. The Indian Bureau came in, took the goats away from them, and gave them 50 percent as many sheep. The sheep are not able to get a living off of the land. That performance on the part of the Bureau of Indian Affairs, according to my information, is largely the cause of the distress among these Indians.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has again expired.

Mr. TABER. Mr. Chairman, I yield myself four additional minutes.

We went into that and we found that under the law already, surplus products in the hands of the Department of Agriculture can be made available to those people. There are 2,500,000 bushels of potatoes on hand in the Department of Agriculture, available for such purposes. There are enormous quantities of frozen eggs, dried fruits, canned vegetables, and

other foods that may be made available. After listening to the Department we felt that \$10 a month would be a fair amount for each of those people who were on relief. One thousand two hundred plus three thousand eight hundred makes five thousand. We allowed \$10 for cash relief for 4 months, from January to April. We felt that the 1,000 employees that they already have got, amply took care of the situation. We believe we have amply provided for that situation.

Mr. WELCH. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. WELCH. Under the title, "Department of the Interior, Bureau of Indian Affairs, Welfare of Indians," is that intended to include Indians on all Government reservations?

Mr. TABER. It is only intended to include this particular item. Frankly, under that, it could be used for other places, but that is not what our intention is and is not what the Department said it would be used for.

Mr. WELCH. The gentleman will recall that only a few days ago this House unanimously passed an authorization of \$2,000,000 to meet the terrible distress existing among the Navajo and Hopi Indians. The Senate immediately passed the bill, and it is now in the hands of the President of the United States. The Senate and the House were unanimously in accord that an authorization of \$2,000,000 should be made. I will ask the chairman of the committee if he feels that \$100,000, payable from funds held by the United States in trust for the Navajo Indians, is adequate to meet the distress existing at this time among the Navajo and Hopi Indians.

Mr. TABER. I have analyzed that situation carefully, indicating that we have provided \$10 a month for each of those whom the Department told us ought to be on relief or ought to receive relief. If the gentleman has any better information than that, I would be glad to have it, but we were unable to find anything that indicated any larger figure.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ROBSION. How long has this condition obtained among the Navajo Indians?

Mr. TABER. It has been developing ever since this man Collier went in and wrecked the Bureau of Indian Affairs.

The CHAIRMAN. The time of the gentleman from New York [Mr. TABER] has again expired.

Mr. CANNON. Mr. Chairman, Congress convened in extra session with certain definite objectives in mind.

We can enumerate them categorically: First, to avoid, or at least to delay, the Third World War with the appalling wastage of billions of property and millions of lives which such a war would inevitably involve.

Second, to rehabilitate and revive and expand American commerce throughout the world, but especially in the Eastern Hemisphere.

Third, to stop the onward march of communism and thereby protect and pre-

serve our form of government, our way of life, and life itself.

Fourth, to support the anticommunistic governments of western Europe and Asia whose survival and maintenance are essential to the solution of the world problem confronting us today.

Fifth, to save vast numbers of people in Europe from death through starvation this winter by providing the minimum amount of food required to sustain life.

Sixth, to maintain the world leadership of the United States which has been thrust upon us, the abdication of which would leave world dictatorship in the hands of a regime more ruthless and barbaric than any which has menaced mankind since the days of Genghis Khan.

And last and seventh, to establish and effectuate an equitable and enduring peace.

Congress assembled with these seven objectives in view. They are, of course, closely related and integrated; one involves the other. Together they constitute a chain in which no link can be broken. The realization of any one of them automatically involves to that extent the achievement of all, and, conversely, the failure to attain any one of them affects adversely, to that extent, all of them. If starvation spreads unchecked through Europe this winter, the anticommunistic governments, which are maintaining their position by such a precarious margin, will be swept from power. If they fall, communism comes in. With communism comes Russian control of Europe and Asia, and with Russian control of the Eastern Hemisphere our Government and our people are in dire peril and a defensive war of survival is inevitable.

The first step, the first link in the chain, is the appropriation of funds to provide a minimum diet for famine-stricken Europe. With that in view the Committee on Appropriations brings in this bill to implement, more or less completely or incompletely, the authorization which the Congress passed with practically unanimity last week. The question before us this afternoon is whether it adequately carries out the directions of the Congress as expressed in the legislative bill.

Let us not minimize the significance of the task before us. It is neither simple nor inconsequential. We are dealing with tremendous forces and immeasurable consequences. There are Members sitting on this floor this afternoon who can recall within the scope of their service here when the daily proceedings were largely provincial and sufficient for the day thereof. But we are today dealing with questions of further reaching importance than any ever previously determined in councils of State or legislative assemblies in the annals of mankind. And the decisions will affect history for all the centuries to come. This is the most powerful legislative body the world ever saw and it sits in the Capital of the nations. It has no time for petty trivialities.

And the situation is urgent. Lights blaze through the night in sequestered shipyards along remote Russian coast

lines where the latest type of submarines are being constructed on a round-the-clock schedule. In the inaccessible hinterland of Russia modern jet planes are being fabricated on models perfected by Germany just as the war was closing. In teeming Russian laboratories covering hundreds of acres, secure from observation, every world scientist who can be recruited or impressed is engaged in research in every branch of chemistry, physics, and mechanics in an effort to devise the most destructive agencies that can be adapted to wholesale devastation.

And in every quarter of eastern Europe and northern Asia millions of men are being trained and indoctrinated for a war of extermination.

I do not have to ask you for whose benefit these continent-wide activities are being pushed with such sustained and relentless purpose. Fleets are being built, air power is being created, research is being prosecuted, and armies are being trained for what purpose? For the destruction of America.

"Oh" some say, "that is fantastic." Certainly it is fantastic. Pearl Harbor was fantastic.

No one can drive today through the wrecked and shattered streets of Berlin, once the seat of power and splendor, and a thousand other devastated European and Asiatic cities and fail to realize the fate that awaits every city in America the first day, the first hour, we are unable to defend them, the first day we lose control of the air. America is a rich and opulent country. Its cities are overflowing with treasures beyond the dreams of Midas. What a price it would be. Such spoils, such loot, such carnage, such rapine, and plunder as it would afford a modern Attila, such as sacked Vienna and Warsaw. Certainly it is fantastic. But we have lived to see in our day and time scenes beside which the sack of Rome and Carthage pale into insignificance. The Vandals left the marble magnificence of Rome still standing but in Warsaw not one stone is left upon another. It is high time we take these lessons to heart.

Let us reduce the problem to its lowest common denominator. Hitler threw 220 divisions against Russia. They were the best trained and most completely equipped armies ever marshaled in review. They were ready to the last buckle and they melted like snow—with Russia taken by surprise and half prepared. In the entire war the United States mustered only 89 divisions on both fronts. It would require futile months to again mobilize our 89 divisions. And if they marched into Russia not a man would ever get back. Hitler could tell you something about that. And Napoleon tried it a hundred years before when Russian military power was hardly more than a shadow.

"Oh," you say, "there is the Navy; we have the greatest Navy in the world." And you are right. It is more powerful than all other navies combined. But how can any navy blockade a hemisphere? You cannot go to Moscow in a battleship.

That leaves us only one other recourse—defense through the air. We used it effectively in the last war. We won through our superior production of aircraft. But we are not winning now. We are turning out today approximately 2,000 planes a year. While competent authorities estimate that Russia will produce 100,000 planes in 1948. The ratio is 2,000 American planes to 100,000 Russian planes.

And no one knows better than ourselves the potency of air power. At the close of the war we had based on the Marianas enough B-29's in service to have destroyed, with sufficient supplies of atomic bombs, every city in Japan with a population in excess of 30,000 people.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I will take 10 additional minutes.

With a superiority of 98,000 planes production a year and the explosives under production their all-out laboratories, how long would it take to destroy every city in America with a population in excess of 30,000? And if you could accomplish that as expeditiously today as we could have pulverized the cities of Japan at the close of the last war, what opportunity would there be for recuperation if all our production centers were reduced to rubble in the first 24 hours?

You say it could not happen to us. But it has already happened to everybody else. And if it has happened once it can happen again. And we might be on the losing side next time if we are a little slow in taking off. Or if we are a little obsolete in equipment.

In other words, it is a condition which confronts us today. Not a hypothetical situation for purely academic consideration. It is a condition which we must meet and with which we must deal either now or eventually.

In our approach to this situation we have two alternatives. We can enter into a race of armaments such as preceded former wars. We can build more battleships, build more planes, drill more men, and manufacture more guns. And that will, as usual, require some considerable outlay. In a report just released last week a competent military authority estimated that if we adopted a program for construction of planes sufficient to protect our borders it would cost \$3,000,000,000 a year for air power alone.

That is one alternative. The other is to so strengthen the free governments of western Europe as to create a balance of power which, in cooperation with us, will preserve the peace of the world. That is the plan which this bill proposes to implement. We propose to feed starving cities in order to prevent the overthrow of non-Communist governments and maintain the integrity of the friendly powers of western Europe in order to make them self-sustaining and thereby check the further spread of communism and preserve the peace of the world. That is the purpose of this bill. It is in effect a bill for national defense.

But how far does the bill go toward the accomplishment of that purpose?

Presumably it implements the authorization which was given by the Congress last week. Under that authorization, enacted after days of exhaustive debate, and the rejection of numerous amendments to increase and decrease the amount, we finally determined by a practically unanimous vote that the minimum amount necessary to implement this program was \$597,000,000. But the Committee on Appropriations does not accept that figure. In a report which is noteworthy for its verbiage rather than its consequential conclusions, it proposes to reduce materially the amount provided essential for food. The legislative authorization provided barely enough to supply the minimum food requirement. If it varied in either direction it was too little rather than too much. It was conceded to be the irreducible minimum. So when we reduce the money carried in this bill for food, we to that extent hamstring the program for European recovery. To that extent we impair the program for national defense.

They say, "Here are certain hidden items." There is nothing hidden here at all. All items have been enumerated time and again. They were fully discussed in the hearings. They are listed in the report. Let us turn to page 4 of the report and consider them one at a time in the light of actual facts and common sense, having in mind all the time the tremendous responsibility resting upon us to maintain the status quo in western Europe. It is not merely a matter of people starving. In the last analysis it is a matter of preservation of the American form of government.

Let us take the first item in the allocation to France. It is service of foreign debt. And let me correct here and now a misapprehension under which some seem to be laboring with reference to these items on page 4 of the report.

There is not one dollar in this bill for the payment of this foreign debt or any other of these items. Not a penny provided in the bill or in the legislative authorization can be used for any such purpose. None of the funds in this entire list can be used for any purpose except to buy food.

The contention of the committee is that France and Italy have funds of their own with which they could buy food, but which they propose to expend for these purposes. Therefore, they argue they should use such moneys to buy food instead of spending it for these purposes, and the committee proposes to cut down the money provided in the bill for food to that extent. But to do that would defeat the whole purpose of the bill.

This payment on the foreign debt of France is interest on her loan just secured last year from the Export-Import Bank. All loans from this bank must be repaid in full with interest. It was established for that purpose, and with that in view and its operations are a fundamental part of the plan for the rehabilitation of war-wrecked nations. If France should fail to pay her interest, it would be the first default and would be a disastrous precedent. The Committee on Appropriations in this bill invites France

to repudiate her obligations to the Export-Import Bank. The committee insists on it. The action of the committee in that respect is an effort to disorganize and destroy one of the key provisions for postwar recovery agreed upon by all nations. And it proposes this astounding sabotage without any compensating advantage. For even if the proposal of the committee is adopted not a penny will be saved. Practically all of the interest to be paid by France is due the United States. So we have an anomalous situation here. If we pay for the food, we get the interest. If we do not pay for the food, we do not get the interest. It is six of one and half a dozen of the other. If we pay for the food, it comes out of the United States; but the United States gets the interest in the exact amount it pays for the food. And if we do not pay for the food, it does not come out of the United States; but the United States does not get its interest—in the exact amount it does not pay for the food. It would be amusing if the consequences were not so serious.

In the case of the International Bank loan, it is necessary that France pay its interest and maintain its credit with the bank at all times and especially now when it is making application for additional loans to help meet its urgent import needs in the near future.

Take the second item, due Belgium to cover imports into France in excess of France's exports to Belgium. Belgium herself is extremely hard pressed. She is barely able to keep her head above the water. To take food away from France for this purpose means to sink both France and Belgium. And the payment to Brazil is merely the excess of imports over exports but it involves all future imports from Brazil the discontinuation of which would be disastrous beyond the comparatively small amount listed. It is the understanding that in the future such imports from Brazil to France will be financed on credit that France would arrange to avoid the accrual of a deficit.

The \$10,000,000 payment to the International Monetary Fund is France's payment which renders her eligible for applications to the fund. France must make this payment or lose her standing which would amount to a disadvantage many times the amount of her contribution.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has again expired.

Mr. CANNON. Mr. Chairman, I yield myself 10 additional minutes.

Let us take the second \$10,000,000 on page 4, listed as administrative and other expenditures. They try to tell us this is for entertainment and cocktail parties. That is thrown in merely to create prejudice. The actual purpose for which this comparatively small amount is to be used is to maintain France's diplomatic representation throughout the world. France has made tremendous and notable, and heroic progress in balancing her budget. While we were over there they told us that they were going to balance the budget, and they did do it in the face of seemingly insurmountable obstacles. They have reduced expenditures gener-

ally and they have reduced expenditures for this item to one-fifth of what it was in the last quarter. We cannot leave France without representation in the chancelleries of the world. How can the present government of France be maintained, the government which the Communists have made every effort in the last 3 months to destroy? How can we support this upstanding anti-communistic government, on which the survival of western Europe depends if we deny her this small amount for representation in the other countries of the world? Why, it is absurd to even consider such a proposition.

Now, let us take up the \$22,000,000 for Italy. In the first place, \$5,000,000 is provided for the settlement of claims of United States nationals against Italy under an agreement which was concluded in December 1946, last December; and it is a material scaling down of the debts which they owe our nationals. Shall we encourage the Italian Government to default in its obligations to our own citizens? Italy must do that if we take this money out of this bill as the committee proposes; there is no alternative. In view of the millions of dollars of surplus-property credits extended throughout the world we certainly should not encourage a default on this debt which is owed to our own Government, owed to us. If we put the money in food we get the money back. If we do not put the money in food we do not get it back. Nothing is saved. The only thing that we do is to wreck the basic foundation of the plan upon which world recovery must be achieved.

Now, mind you, the Committee on Appropriations does not deny that the whole \$597,000,000 is essential to provide this food. They agree that the whole \$597,000,000 is essential, but they seek by subterfuge to pull this \$88,000,000 out of it, and though they do not save a penny but they destroy the whole theory upon which the plan for postwar recovery is based.

Mr. Chairman, we have here a grave responsibility.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. CANNON. Mr. Chairman, I yield myself two additional minutes.

Mr. Chairman, let us take heed lest some day we again look back as we looked back after Pearl Harbor. On the afternoon of December 7, 1941 how many Members recalled votes cast against provisions for the Army, for the Navy, for the fortifications of Pacific bases? How many remembered bitter opposition to the League of Nations which would have avoided a war the cost of which will never be fully tabulated?

Stanley Baldwin and those who followed him looked back to those crucial days when Germany was arming, and England slept.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

(Mr. WIGGLESWORTH asked and was given permission to revise and extend his remarks.)

Mr. WIGGLESWORTH. Mr. Chairman, America today is confronted by two outstanding dangers.

On the one hand, as the result of waste and extravagance and the spend-and-spend policy to which this Nation has adhered over a period of 15 years, we are confronted by the danger of serious inflation. On the other hand, as a result of decisions which have been made in the field of foreign affairs, we are confronted by the possibility of losing all that we thought we had won after 4 years of fighting, and of seeing the wave of communism sweep throughout western Europe.

Either of these results can have consequences of the greatest gravity to this Nation of ours. The role of statesmanship seems to be to try to steer a course between them.

During the past summer, like many Members of the Congress, I made a trip to the other side. In the past I have been many times to Europe, at one time putting in 4 years there working as assistant to the Agent General for Reparation Payments, representing the interests of 12 nations, including our own, creditors of Germany as a result of World War I.

The trip which I made last summer together with the gentleman from New York [Mr. TABER] and the gentleman from Missouri [Mr. CANNON], and in part with the gentleman from Illinois [Mr. DIRKSEN], took me to nine separate countries all the way from Turkey to England.

It resulted in interviews in the countries visited with practically every prime minister, foreign minister and finance minister, with other ministers, with the heads of banks of issue, with industrial leaders, labor leaders, and leaders of finance; and in the Ruhr, with workers in the mines and at the blast furnaces, and with their wives and children in the housing about the mines. We also had the benefit of the views of our diplomatic and military staffs.

Without going into detail I heard statistics indicating the alarming rate at which Russia is arming. I heard the testimony of officials from the satellite countries as to the extent to which those countries are being purged under the iron hand of Russia. I saw in country after country what to me was a vicious circle, on the one hand, economic and financial problems growing out of the war of the most severe character, and, on the other hand, political problems of the greatest severity resulting from the threat of communism either within the borders of the country or immediately outside of its borders.

Two hundred and sixty million people or more in western Europe, with a pre-war production greater than this country, threatened with being overrun by the forces of communism and losing their freedom against their will.

I returned, Mr. Chairman, with the conviction that affirmative action by the Congress was imperative and imperative promptly. I believe that affirmative action is essential in the national interest. In the absence of stronger measures I see no other alternative at this time. I

believe that a denial of affirmative action at this time would serve to kill the spark of hope that has been kindled in western Europe, would serve to destroy the principal psychological barrier to the advance of aggressive communism and would invite the moving of the iron curtain to the Atlantic and the Mediterranean in short order, with serious consequences to our national economy if not to our national security.

Having made that statement, Mr. Chairman, I want to qualify it as I have qualified it in other public statements that I have made.

First. I believe that what we do should be done on a short-term basis, as in this instance. A long-term basis destroys our influence. A short-term basis is not only fairer to America but, in my opinion, strengthens the hands of the leaders of those countries that we seek to aid.

Second. I believe that what we do should be so supervised as to insure that every dollar spent will be productive in terms of recuperation and not wasted for some political purpose as has happened so often in the past. I regret that the time element has prevented the setting up of adequate supervision in connection with this appropriation.

Third. Mr. Chairman, it is obvious that we must not do more than we can do in fairness to ourselves and to the rest of the world. To destroy our own economy in trying to help others would not only be suicidal but a catastrophe from the standpoint of the entire world.

AVAILABILITY EVIDENCE INADEQUATE

Now, Mr. Chairman, I have sought throughout these hearings to get some specific evidence of availability in terms of the commodities which we are to provide under this bill. I have tried to get simple tabular break-downs showing for each commodity the amount available, the amount of obligations against the amount available, the amount called for under the two programs before us in this bill, so that the Congress and the people of the country as a whole could see exactly what it is we are called upon to do.

I regret that I have been unable to obtain that information. There appears to be no single agency and no single individual in this Government that can present a simple, coordinated picture in these terms of the plan now before us.

The so-called Harriman committee, as you will recall, was asked to determine the limits within which this country could safely and wisely extend aid to western Europe. If I understand it correctly, Mr. Chairman, the report of that committee declines to take any position as to the period after December 31, 1948, and as to the period before that date approves what is requested only by implication.

The Acting Secretary of State, Mr. Lovett, was more than cooperative with this committee. He did his utmost to provide us with all information at his command. He stated specifically, however, that he was in no position to give the assurance that I desired in respect to any of the commodities. He stated that he was dependent in that respect on the Department of Agriculture and on the Department of Commerce.

The Secretary of Agriculture and the Secretary of Commerce both appeared before your committee. Neither of them, in my judgment, Mr. Chairman, gave the type of information to which the Congress is entitled in the consideration of this bill. In fact, the testimony of the Secretary of Commerce was so vague and required so much research that it did not arrive in time to be included in the hearings and, as far as I know, has not yet been received by the Committee on Appropriations.

Representatives of the Department of the Army, the Department of the Interior, the Army and Navy Petroleum Commission, and the Tariff Commission all appeared before the committee. One supplied one piece of the picture puzzle, another another, but nowhere did we get a comprehensive detailed statement such as I hoped and sought to obtain.

As a result, we are forced to rely largely, first, on what we are told is a table agreed to by the Departments of Agriculture, Commerce, and State, which you will find on page 229 of the hearings; second, on a statement by Secretary Anderson to the effect that "520,000,000 bushels of grain is a perfectly safe figure to use as a minimum that we can ship"; and, third, on a statement by Secretary Harriman, which is not in the record for the reasons I have given, to the effect that he assumes as Secretary of Commerce full responsibility for all nonagricultural items.

Mr. Chairman, before any long-term program is considered by this House I hope that someone somehow will give us a coordinated detailed picture so that we can understand and the country can understand exactly what is involved.

INTERIM AID

As has been pointed out, the bill before us carries an appropriation of \$509,000,000 for implementing the interim-aid bill. It carries an appropriation of \$230,000,000 for implementing a deficiency request for the occupied areas. It carries certain other items, bringing up the total to about \$772,700,000, about \$345,000,000 below the Budget estimates.

The purposes of the interim-aid bill by this time are well known to us all. If you want a break-down of what is contemplated in the program, you will find at pages 229 to 233 of the hearings, first, an over-all break-down for all countries involved; second, break-downs individually for Austria, France, and Italy. I may add that no program is presented for China at this time, the State Department stating specifically that it is not yet ready to come forward with any such program.

The justification of the State Department was on the basis of \$328,000,000 for France, \$211,000,000 for Italy, and \$58,000,000 for Austria, with nothing for China. You will find at pages 267, 237, and 269 of the hearings itemized tables for Austria, France, and Italy, respectively, showing exactly how the over-all figures were arrived at, estimated dollar balances being deducted in each instance from estimated dollar needs.

The authorization bill which was passed by the Congress yesterday included not only Austria, France, and Italy, but

China, and it is clear from the record that your committee was supposed to reserve part of the authorization perhaps \$60,000,000, for appropriation to China when a program for China is received from the State Department.

The appropriation suggested, by your committee is in the amount of \$509,000,000, or \$88,000,000 less than the authorization.

I submit that the reservation or withholding of funds is not only justified but required, in large measure at least, by the situation with respect to China, to which I have referred. If I understand the gentleman from Missouri [Mr. CANNON], correctly, he would wipe out all possible help under this authorization for China, contrary to the expressed will of the Congress in the authorization bill. If \$597,000,000 is appropriated for Austria, France, and Italy, obviously nothing whatsoever will be left for China.

The reservation or withholding of funds to the extent of \$88,000,000 is based also on the fact that certain items are included in the program, most of which appear to represent the service of intergovernmental debt which might be deferred, and which perhaps might be more properly considered in connection with a long-range program. The items are listed in the committee report.

The reservation or withholding of \$88,000,000 makes it possible in January or in February or whenever the need is demonstrated, to make any part or all of that sum available to China or to any one of the other three nations now under consideration.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from California.

Mr. HINSHAW. Would the gentleman care to discuss for a moment the occupation costs, or does he want to confine himself to the subject he is presently speaking on?

Mr. WIGGLESWORTH. I would prefer to complete my statement on interim aid first.

Mr. HINSHAW. Would the gentleman, then, when he completes his statement discuss the occupation costs in the countries occupied?

Mr. WIGGLESWORTH. I shall be glad to.

If you will turn to page 229 of the hearings, you will find from the break-down to which I have already referred that this program calls for the furnishing of grains and other food products, cotton, coal, petroleum supplies, aviation gas, fertilizers, miscellaneous agricultural supplies, medical, hospital, dental, and veterinarian supplies.

Some of these items are in short supply.

I wish it were possible to give the House the exact situation in respect to each item—that information is not available.

Grain is, of course, the major item. The testimony of the Secretary of Agriculture is important in this connection.

Starting with an over-all availability of 1,491,000,000 bushels of wheat, and deducting from that 845,000,000 bushels for food, seed, and feed, he arrives at

a balance of 646,000,000 bushels. Allowing 150,000,000 bushels for carry-over, into next year, there remains 500,000,000 bushels of wheat available for export. Using four hundred and fifty million of this total and adding 70,000,000 bushels of grain, he arrives at 520,000,000 bushels of grain available for export, a total which he states is "a perfectly safe figure to use as a minimum that we can ship."

He also states that the program may go to 560,000,000 bushels. There remains to be bought about 120,000,000 bushels of wheat and 3,000,000 bushels of grain.

There appears to be nothing included in his figures for wastage or for industrial purposes. Doubt as to the accuracy of the figures is thrown by the conflict of figures appearing in the committee report and already referred to by the chairman of the committee, the gentleman from New York [Mr. TABER]. It is clear that more wheat is to be required for France and Italy than can be provided. The excess provided for must be taken care of in substitutes.

It is for this reason that this committee has inserted in substance the amendment of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] in order to insure that there shall be a minimum carry-over at the end of the year of 150,000,000 bushels of wheat for use in this country.

I invite your attention also to the testimony in respect to petroleum products, which shows that the production, consumption, exports, and imports are almost in balance today, and that any of these products taken from this country for abroad must either come out of domestic consumption or commercial exports.

The daily production in America is 5,500,000 barrels a day. The amount said to be required for this program, if estimates are correct, is infinitesimal—1,800,000 barrels for the 4-month period.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. WIGGLESWORTH] has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. WIGGLESWORTH. Other commodities are discussed to some extent in the hearings, but for the most part, as already pointed out, we are forced to rely on the table I have referred to and the assurances of the Secretary of Agriculture and the Secretary of Commerce. We just have not got the detailed information which should be available.

The effect on our economy is consequently difficult if not impossible to predict. It probably depends largely on how the program is administered.

The Secretary of Agriculture goes so far as to indicate, at page 24 of the hearings, that in his opinion this program can be accomplished without any rise in commodity prices. I confess it is very difficult for me to escape the conclusion that an increase in the price level is inevitable. We must entrust the program to those who will have charge of it.

GOVERNMENT AND RELIEF IN THE OCCUPIED AREAS

The other most important item in this bill is for government and relief in the occupied areas, \$230,000,000.

Six hundred million dollars has already been made available for this purpose. The deficiency request was for \$490,000,000. Your committee recommends an appropriation of \$230,000,000.

The basis for the increase requested is, first, an item of \$237,000,000 representing the estimated increase in the cost of feeding in the British zone in Germany, with respect to which negotiations are now pending between America and Britain.

Second, the increase is due to higher prices, to decreased crops and similar causes. One million four hundred and thirty-six thousand tons of crops less than estimates have been produced in Germany; 453,000 tons less than estimates in Japan.

You will find the details of this program on page 144 of the hearings. It includes food products, agricultural supplies and fertilizer, petroleum products, medical supplies and equipment, other supplies, services and equipment, pay of civilian employees, travel of civilian employees and certain military personnel, transportation of civilian supplies, and incidental operating expenses.

The reduction which the committee recommends is reflected first in a reduction of \$137,000,000 in respect to the estimated amount necessary for feeding in the British zone in Germany, the committee feeling that the \$100,000,000 provided is ample for the time being, that we should take another look at the situation after negotiations are concluded.

It is reflected in a reduction of \$122,000,000, or two-fourteenths of the amount otherwise available for a period of over 14 months, the committee feeling that it is sufficient to make funds available up to the end of the fiscal year and to reconsider the matter of any pipe line thereafter at a later date.

I believe the funds provided for this item are ample and that any discrepancy can be taken care of upon further consideration.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. HINSHAW. Mr. Chairman, I believe the gentleman will agree that the two occupied zones, British and American, are among the most highly developed industrial areas in the world. Those people manufacture products, as I understand it, and they turn those products over at practically no cost to the Office of Military Government. The Office of Military Government sets its own price at which the products will be sold, from which 10 percent is withdrawn, 5 percent being given to the manufacturer in dollars, 5 percent being assigned to the employees at the official rate; 90 percent of the price, as I understand it, going to make up part of the cost of occupation.

Does the gentleman know how much we are receiving from that 90 percent of the goods we are receiving from the German local governments to offset the occupation cost?

Mr. WIGGLESWORTH. I am sorry, I cannot give the gentleman any information on that.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. TABER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HINSHAW. Does not the gentleman agree with me that if the industrial area, the industrial heart of Germany, can be started going again that with their exports they can pay their own costs? And that unless they are permitted to get started on manufactures that they can export they will be a drain on the Treasury of the United States for a long time to come.

Mr. WIGGLESWORTH. I may say to the gentleman from California that it is my opinion that a revival of Germany subject to proper control from the military standpoint is the heart of the entire problem of the recuperation of western Europe.

Mr. HINSHAW. I am glad to hear the gentleman say that because I was convinced in my brief visit that, given half an opportunity to produce peacetime goods, they could support themselves and then some.

Mr. WIGGLESWORTH. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. CANNON. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. WORLEY].

Mr. WORLEY. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to speak out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WORLEY. Mr. Chairman, it is my desire today to pay honor and just tribute to a fellow American and fellow Texan whom we all have come to hold in highest esteem, a man who as a naval officer has served his country well and wisely for 42 years and who now embarks upon a well-earned and richly deserved rest—Fleet Adm. Chester W. Nimitz.

As a youth in a small Texas town, son of a country innkeeper, Chester Nimitz had no more than the average American youth's advantages. Yet through hard work and perseverance he has reached the pinnacle of success and fame in his chosen profession and has become one of history's greatest naval leaders in the long up-hill struggle in the recent Pacific war.

His brilliant and gratifying success, however, has left him fundamentally unchanged in character and purpose. And the consummate respect he holds for the enlisted man in the service is still second only to that which he holds for the Chief Executive in the White House.

His work has always been characterized by his sound dependable judgment and by unfailing devotion to the task at hand. His calm, patient, and deliberate manner is contagious; his innate modesty and high sense of loyalty have endeared him to the hearts of all hands in the naval service; and have won for him the complete confidence and highest esteem of the American people at large.

It has been said that two of the most valuable qualities Admiral Nimitz took to the task of winning the naval war in the Pacific were "calculating common sense" and a "stoutly reasoned good opinion of his fellow men." He has been affectionately called every man's admiral. Knowing him it is not difficult to understand why.

This country was singularly blessed in having men of the caliber of Chester W. Nimitz to whom it could turn for leadership and inspiration in time of great national peril as well as in peacetime. His very stature and demeanor was instrumental in rallying the spirit and will and determination of his countrymen at the most critical hour of our history. We in this land will ever be in his debt.

Mr. Chairman, the Navy and the entire Nation will never forget but will deeply miss for a long time to come his active leadership in our defense establishment. On the occasion of his departure from active duty, we desire to wish him smooth sailing, fair winds, and snug harbors with many long years of good health and abundant happiness ahead.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield to the gentleman from Texas.

Mr. FISHER. Mr. Chairman, I am delighted that the gentleman has taken this time to pay tribute to Fleet Admiral Nimitz upon the occasion of his retirement. It happens that the Admiral was born in the district which I have the honor to represent, he having been born at Fredericksburg, Tex., in the central part of the State, on February 24, 1885. He attended school at Kerrville, a few miles away in the rugged hill country of southwest Texas. There he gained those lasting impressions that followed him throughout his great and eventful life.

The admiral's grandfather was Capt. Charles Nimitz, who was a German-born sailing ship master who built a hotel at Fredericksburg which had a boat deck and bridge looking out over the Texas prairie. With that background, it was only natural that he should fall into a naval career, though he first aspired to attend West Point. Chester Nimitz graduated in 1905 from Annapolis, seventh in his class.

The new ensign climbed steadily as his fine qualities of leadership were brought into play. The story is told that on one occasion when Nimitz was an ensign and was on board a ship, the engineer called excitedly over the tube that the ship was about to sink. "Look on page 84 of Barton's Engineering Manual," Nimitz replied. "It tells you what to do in a case like that."

Those associated with him have often asserted that two outstanding qualities were always present in the admiral's service. One, his "calculating common sense," and, secondly, "a stoutly reasoned good opinion of his fellow man." It has often been said that he was never known to become excited.

Admiral Nimitz, as we all know, immediately after Pearl Harbor was given the formidable assignment as Chief of the Pacific Fleet. He directed the painful task of building up and directing

the naval strength that smashed the Japanese dream of conquest. When given that assignment, he was quoted as saying: "I have just assumed a great responsibility and obligation which I shall do my utmost to discharge."

This great naval leader received many great honors during his career. One was the Distinguished Service Medal, by special act of Congress. But among his proudest possessions is the Treasury Department's silver life-saving medal. He won it as a lieutenant March 20, 1912, when he saved Fireman 1c W. J. Walsh from drowning.

Finally, the great pinnacle of his career came on September 1, 1945, when Admiral Nimitz signed for the United States the formal Japanese surrender terms on the battleship *Missouri* in Tokyo harbor.

Fleet Admiral Nimitz has retired. He is a great American, a great Texan, and one of the great naval leaders of all time. To him and his family I extend best wishes and Godspeed during the period of his retirement.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. WORLEY. I yield to the gentleman from Texas.

Mr. RAYBURN. Mr. Chairman, I do not think that in the Army or Navy of the United States a finer type of man has ever come on the scene than Admiral Chester Nimitz. He is a great American, he is a great Texan, and we are proud of the fact that he is a Texan.

Mr. WORLEY. I thank the gentleman. Admiral Nimitz has received a great many honors in his lifetime, but not the least honor was the one he received the other day when the Governor of the State of Texas made him admiral of the Texas navy.

The CHAIRMAN. The time of the gentleman from Texas has expired.

(Mr. FISHER asked and was given permission to revise and extend the remarks he previously made.)

Mr. MAHON. Mr. Chairman, let me say this word of tribute in behalf of Admiral Nimitz, whose record will always reflect glory upon his native State of Texas, and the people of the entire Nation. I ask unanimous consent that any Member at this point in the RECORD may have permission, if he wishes to do so, to make some reference to the distinguished career of Admiral Nimitz.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. MAHON]?

There was no objection.

Mr. CANNON. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, this bill involves something short of a billion dollars in appropriations. It is tremendously important. It has to do with implementing the foreign policy of our Nation, and at this critical hour in the history of the world, all of us are thinking about the question of foreign affairs and the course that our country should properly follow to promote our own welfare in the days that lie ahead.

During my service as a Member of the House one thing has always been paramount with me, and that is the

question of national defense. I have felt throughout my service in Congress that our national defense program has been inadequate, and I have seized upon every possible opportunity to try to promote our national security by way of appropriations and otherwise.

Before the war, when there were those in this House and outside of this House who were crying, "Who is afraid of the big bad wolf?" I was among those who took advantage of every opportunity to vote for increased appropriations, including the implementation of our defenses in the islands of the Pacific in order that our country might be secure.

During the war, as a member of the Subcommittee on War Department Appropriations, with many of my colleagues, I went even to the extent, perhaps, of extravagance in an effort to make American dollars play a major part, if possible, in saving the lives of American fighting men, and as a member of that subcommittee, and following that philosophy of service, I agreed to take the gamble with a few of my colleagues on the \$2,000,000,000 appropriated over the years for the atomic bomb. If there is anything fundamental in my political philosophy it is this question of a strong national defense.

Since the war I have not had occasion to change my position on that matter. On June 3, 4, and 5, 1947, in this House of Representatives, following an unsuccessful fight which I had made in the Committee on Appropriations to get an additional \$40,000,000 for military aircraft, I offered an amendment in the House which would provide the additional \$40,000,000 for military aircraft for the Air Forces. After 3 days of debate we were finally able to get that amendment accepted. I recite these facts in order that I may say this, that in my opinion the foreign-aid program, stripped of all the trimmings, is nothing more or less than a national defense program. If I should vote against the foreign-aid program I would feel that such a vote was a vote against national defense. It would be contrary to my record of service.

I do not think of this legislation as a foreign-aid bill, though of course, the bill is of vast importance and assistance to peoples overseas. To my way of thinking this is an American aid bill, and if I may be perfectly frank about it, I should like to say without apology that my first interest is the interest of the United States of America. I believe that if we do not look after the best interest of the United States, nobody else is going to do the job. So, I say without hesitation that the enlightened self-interest of the United States is the thing that prompts me to support this foreign-aid measure, yet in supporting it, I am fully aware that it will not work out perfectly. I know that in the future there will be those who will rise up and say, "Yes, I told you so. I told you that this or that would happen."

There is not going to be a perfect road for us to follow, but we are standing at the crossroads, and we inevitably must take one road or the other, and both roads are bad in many respects. In the

old days of bad roads, when we went from one part of the country to the other, we found the traveling pretty rough regardless of the route that we finally selected for our journey, and I know full well whichever road we now take is going to be difficult, but we must do the best we can to meet a bad situation. It is one thing to sit on the sidelines and observe errors which will no doubt be made. It is another thing to find and follow the right road and fulfill the destiny of our Nation in the critical days ahead.

Yes, my objective is the welfare of our own people, and of course we have many Americans who are in want and distress today. I would not consider supporting this bill if I did not think that this bill was in their true interest. I admit that I may be wrong, but all we can do in this sort of situation is to follow our best judgment and do the best we can under all the facts and circumstances.

Is there anyone in America, or anywhere else for that matter, who would think that Gen. George Marshall, our Secretary of State, would be concerning himself so much about a foreign-aid program unless he had in mind the military security and national defense of this country? He has spent his life studying and working and fighting for the security of the United States. Like any normal person, he undoubtedly has humanitarian impulses, but I have not the slightest doubt but that his major objective is the welfare and military security of the United States.

I have all sympathy for the suffering and hungry peoples of the world, including those in our own country. I am not impatient with the impulses of humanitarianism. It is all a very wonderful thing, and that is and should be a consideration in this matter, but I am frank to say that there are motives more compelling than humanitarian motives which impel me to support this American aid bill today.

Not only am I interested in the security of our country in a military sense, I am interested in the welfare of the American taxpayers. In trying to make up my mind, and I have been much disturbed about this question, as have all of you, I have tried to detach myself from sentimentalism and think, shall I say, in a cold-blooded way about the welfare of this country and the interest of the American taxpayer. If we fail in our efforts to help bolster up the free countries of western Europe, then what happens? In other words, if Moscow moves in and takes over western Europe and the iron curtain moves to the Atlantic, what happens to us in a financial way? Overnight, we would have to come before the Congress and say, "Let us have an additional appropriation of five, ten, or fifteen billion dollars for national defense in addition to what we now have." I am fully convinced that it is to the best interest of the American taxpayer that we undertake to help preserve the integrity of the free countries of western Europe and prevent the iron curtain from moving to the Atlantic ocean. So when I speak about this matter today I speak as one who proposes to carry on his long-established record of national defense and as one who is concerned about the

American taxpayer, in short the financial and military interests of the United States.

I well know that if this foreign-aid program, which I hope will prove to be an American-aid program, fails, you are going to have to double, treble, or quadruple immediately the vast appropriations which we are presently making for our Army, our Air Forces, and our Navy. So it is of the greatest importance to the taxpayer that the money we spend, considerable as it may be, achieves the results we seek, because if this money fails then it may be a mere pittance compared to the multiplied billions which will be necessary overnight in the event that Moscow moves into Paris and Rome, and the other capitals of western Europe and begins to marshal the industrial resources of that great section of the world against the Western Hemisphere. Secretary Marshall has not said that, but how can we look at the ominous world situation and come to any other conclusion?

In my capacity as a member of the Herter committee, appointed by the Speaker, I was among those who made some study of the situation in Europe. While in Italy I heard much of a man by the name of Palmero Togliatti, a citizen of Italy and a powerful Communist leader. He had received years of training in Moscow. He is the leading Communist in Italy. He was trying and threatening to take charge of the government of Italy by threats of force and violence. I am one of those who believes that if we can do so, it will save us money and, perhaps American lives in the long run if we can prevent the Communists from taking over the countries of western Europe.

What is communism? Books have been written about it, and I certainly would not undertake to define it, but communism in the sense I am talking about it is this sort of thing: It moves into other countries from Moscow and wherever it may be found in the world it is joined up with Russia. It is never detached from Moscow. It takes over a government. It first gets control of the police force and the army. Then it makes little difference what the majority of the people think because when communism comes in freedom of speech goes out the window and freedom of the press is no more and freedom of religion is suspended as well as free elections.

In America, if the people do not like the Democrats they vote them out and vote in the Republicans, and if they do not like the Republicans they make another change at the next election. That is the American way. That is democracy. Not so with communism. If communism takes over western Europe the people cannot vote it out at the next election. It is dependent upon military forces and dictatorship and the opposition leaders are liquidated. Can we afford to take the risk of letting freedom of speech, free elections, freedom of religion, and freedom of the press be snuffed out in the countries of western Europe? I am one of those who believes that if we have trouble in the future, it will be most desirable, if not essential,

to have someone on our side. I do not think America, as great as she is, can afford the luxury of undertaking to stand alone in the world. We cannot afford it from a military standpoint, from a financial standpoint, from a political standpoint, or any other standpoint. So that is the reason I say I am interested in the success of this program which I call by what I hope may be its true name, an American-aid program.

Now, I would not want our country to take over the governments of western Europe. I do not want them to be puppets of the United States in any sense of the word. I only want them to be free and independent in order that they may cooperate with us and not work against us in the perilous days that lie ahead.

Yes, America must make a choice. We can either pull out of Europe, or we can stay in Europe. Are we willing so soon after the victory has been won at so great a price in life and treasures to walk away from the victory which has been won? I say no, we are not willing to do that. Oh, yes, we can knock out the funds in this bill for aid to civilians in occupied areas of Germany. We do not have control of the so-called bread basket of Germany, but we do have control of the industrial heart of Germany. We can save several hundred million dollars by pulling out of Germany—but if we pull out of Germany and turn over the industrial heart of Germany and the industrial heart of Europe to Moscow, we will, perhaps, be making one of the most fatal and tragic mistakes that was ever made by any country, because whoever writes the ticket in the industrial heart of Germany and in the industrial heart of Europe will have a significant part in writing the ticket in Paris, in Rome, in Belgium, in Holland, eventually in London and all Western Europe.

There is, therefore, every reason why all thoughtful Americans are concerned these days about the international situation. If our present program succeeds it will be cheaper in the long run, expensive as it is, to stay in Europe and take the leading part among the nations of the world in helping to save our country from the threat of a third world war.

There are those who say, "Why don't we ignore Europe and look after the best interest of the United States?" Unfortunately, that is not possible. We have learned from two world wars that you cannot ignore Europe and the rest of the world and at the same time look after the best interest of the United States. To ignore the rest of the world, to ignore Europe, and look after the best interest of the United States at the same time is as contradictory as trying to ride in opposite directions at one time.

The thing that is desperately important is the prevention of World War III. If we fail to prevent a third world war, then all our hopes and dreams of happiness and security will be shattered. It is in the hope that this legislation will contribute toward peace and security that a vast majority of the Members of the House will vote for this legislation when the vote is taken tomorrow. I would be the last man who would want to weaken the United States. The object is to strengthen the United States. That

is what this bill is about—to strengthen and not to weaken the United States. It would serve no useful purpose for a man to leap into the stream to save a drowning man if he, too, will also drown.

Now, what have we shipped abroad?

We shipped abroad 40 percent of our wheat last year. We could have kept the 611,000,000 bushels of grain which we exported, in the United States. We could have said to those starving people—and that is a consideration—"We are not responsible for your plight. Starve if you care to." We could have taken that attitude and drawn our cloak about us and kept our 611,000,000 bushels of grain at home, and threatened with bankruptcy the economy of many of the States of the Union. We did not need it for American consumption. We provide in this bill for a carry-over of 150,000,000 bushels of wheat. Did this course of action unduly deplete our country? I do not think so.

Well, we exported a lot of other things. Our manufacturers, who make trucks and automobiles and one thing and another, have been sending a limited number of such things abroad. I have seen them in Europe. Our businessmen want to keep contact with their customers overseas, because they are looking to the future. They want to stay in world markets. This should be in the best interest of American industry, American labor, and the American farmers.

The CHAIRMAN. The time of the gentleman from Texas [Mr. MAHON] has expired.

Mr. KERR. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. MAHON. I was not shocked to see some of the products of American labor and industry in Europe. I was glad to see them there. I hope we may have in the future a good market for our farm and industrial products in other parts of the world. I am sorry we do not, at present, have enough to meet our own needs and the needs of others. I am sorry that we have to wait for some of these things, but I am not opposed to a continued exportation of some of our production. Not everything that goes abroad is given away or sold on credit. We are selling billions of dollars' worth of products abroad for cash.

I am told that our exports to the 16 western European nations during 1946, which they could not pay for with their exports, amounted to only about 2 percent of our total national production. We must all agree that there have been some dislocations at home by reason of our foreign policy but certainly we have not wrecked our economy by the course which we have thus far pursued. We must exercise great care in safeguarding our own resources.

In this interim-aid bill we provide some money for petroleum products. Down in Texas we produce 40 percent of the petroleum products produced in the United States. Some of you in the East are concerned about fuel oil, and there is a shortage of fuel oil. How much fuel oil is provided for in the interim-aid bill now before us? One one-thousandth of 1 percent of our fuel oil production is included in the bill, and about one-third of 1 day of our production of petroleum

products as a whole is included in the bill.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to my able colleague.

Mr. CASE of South Dakota. If the gentleman represented a district where the temperatures occasionally flirted with zero and he got a letter from a constituent who said:

Some years ago, and years before the war, I put an oil burner in my house and that is the only way I have of heating my house, but now I cannot buy any.

And you wrote him and told him that he should not worry because this program provided for exporting only one one-thousandth of 1 percent of our oil production, do you suppose that would help him keep warm?

Mr. MAHON. I would have the greatest sympathy for the man because he is undoubtedly confronted with a difficult situation and I would do everything in my power to be of assistance to him. Perhaps I would write him about like this:

DEAR BILL: I am glad to have your letter. It is true that there is some money in the interim-aid bill for petroleum products. We are exporting oil but we are importing as much or more oil than we export. In the interim-aid bill we provide for an exportation of one one-thousandth of 1 percent of our fuel-oil production. It is apparent that whether we do or do not export this relatively small quantity of oil there is still going to be a shortage. One one-thousandth of 1 percent of our production is not enough to take care of you and numerous others who are in need of more adequate supplies.

Speaking of oil, American interests in Arabia have control of one of the largest oil reserves in the world—if not the largest. Petroleum is an essential product in industry and in war and it is important that we try to prevent our lifeline to that oil from being cut by an unfriendly nation. It would be very injurious to our national defense plan. As you know, many warnings have been published to the effect that there is a temporary shortage of fuel oil and that people should delay installing fuel oil furnaces. However, I note that yours was installed several years ago.

Let me say while we are talking about oil that we are trying in our work here to look after the best interest of America. We desperately need to prevent a third world war and to do that some sacrifices will be necessary on our part, but I hope a way can be found to remedy the situation which you describe and I would like to assist in any way possible. I do not want your boy and your neighbor's boy to have to go forth to fight again. If we could spend billions of dollars to win the war I feel that we can afford to spend a few hundred millions now to try to keep our boys at home and prevent future difficulties.

At any rate, if I were in the position of the gentleman from South Dakota; I would do, as I am sure the able gentleman has done—I would do the best I could to provide information and assistance. The average American is tolerant and understanding and he doesn't expect more than can reasonably be done for him under the circumstances.

Mr. CASE of South Dakota. I am sure the gentleman has suggested a very helpful answer—at least it might generate a little heat while the letter is being read. But seriously, how will this man heat his home? He lives in the country and milks a large number of cows. He wrote me

that when he cannot warm the water they drink in freezing weather, the milk yield goes down sharply. What is he to do?

I asked the same question of the Under Secretary of State in our hearings the other day. I am not sure whether his answer was on the record or not. He said that he could appreciate the situation because he too has an oil furnace in his own home but he has a couple open hearth fireplaces so his family can keep warm.

However, the gentleman referred to the reserves of oil. In the hearings I asked the Assistant to the Secretary of the Interior to supply figures on our reserves of liquid fuels in oil shale and lignite. The figures came too late to put in the hearings, but I have the letter and hope to make it a part of the record. He said the amount of liquid fuel we could obtain from shales is five times that of existing petroleum deposits and the liquid fuel we could obtain from lignite coal was 25 times. So the 69 years estimated for the petroleum reserves can be augmented by these other sources of liquid fuel, and it seems to me in preserving the independence and freedom of the United States it would be better to develop those resources of shale and lignite than to depend upon that tenuous line to Saudi Arabia.

Mr. MAHON. I think we should depend on all available resources. I believe in trying to look after every eventuality as best we can. I believe we are going to be able to come through.

Now there are those who, perhaps like the gentleman, cannot get all the fuel oil they want, and some who are saying, "Who won the war, after all?" In going with members of the Herter committee from England over the North Sea to Berlin by plane we were served a little basket lunch. By that time we had all become very conscious of the fact that there was a shortage of food in Europe. We did not want to waste anything. I said to the sergeant, "I do not need all this food. Is there not some way you could save part of it?" He said, "Do not bother about that, Congressman; when we land in Berlin and throw this stuff out of the plane the Germans will lick the platter clean." I thought then, and I say now, I would hate to contemplate the situation being reversed and an occupying foe being in control of my own country and American boys and girls having to lick the platter clean of an invading and occupying force in an effort to sustain life. So, despite our disappointments, I say that the victory, after all, was not a hollow victory. But we must make the victory sure.

I am just as impatient with Europeans as are many others. I do not like many things that are transpiring in Europe. I think we would all like to be isolationists if we could safely afford to be, but we cannot afford the luxury. It is easy to be critical and say, "Why do you not go to work?" But from my observation, the farmers of Europe are doing the best possible job in cultivating their land, certainly as good a job as I have seen anywhere. I think they are doing the best they can to feed themselves. I know there are a lot of mistakes and malad-

justments. But it does not behoove us to say, "You would have everything you need if you would just go to work." We have been working pretty well in this country and we cannot get all the new automobiles we want. We have been working pretty well but we cannot get boxcars to move our grain. We have quite a lot of factories and they are in operation, but they cannot produce all the gadgets we want even in this country. Why, one raid over England destroyed 2,000 factories. Not a bomb dropped in this country on an American boxcar or upon an American factory; yet with all our power and ingenuity we have not been able to meet all of our local demands.

It is impossible to expect people who have been devastated by war, countries wherein 90 percent of the transportation facilities have been destroyed, where cities have been burned and hundreds of factories wrecked, to produce within a few months everything they require. The devastated countries have not fully recovered. They will not recover for many, many years, though remarkable progress toward recovery has been made in many of the areas overseas.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KERR. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. MAHON. Mr. Chairman, we have all learned by sad and bitter experience that weakness and appeasement are not signposts on the road to peace. Weakness and appeasement, on the contrary, are signposts on the road to war. So we must stand firm, we must do the best we can with a bad situation and we must expect disappointments in the future because we are going to have them.

The morning paper announcing as it did the break up of the Conference of Foreign Ministers in London only adds emphasis to the fact that we must assume our position as the dominant power on earth in promoting peace, security, and stability. It is not so much a question of helping people in far away lands, rather it is a question of helping Tom, Dick, and Harry, and their families, and all our people in our own country.

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Obviously a quorum is not present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 148]

Allen, Ill.	Cravens	Lynch
Allen, La.	Crosser	McConnell
Andrews, N. Y.	Davis, Tenn.	McDonough
Auchincloss	Dawson, Ill.	McDowell
Bates, Ky.	Dorn	Morrison
Bell	Eberharter	Norton
Bland	Fellows	Potter
Bloom	Fletcher	Powell
Brooks	Fulton	Rabin
Buck	Gathings	Reed, N. Y.
Buckley	Harrison	Rivers
Busbey	Hartley	Rooney
Case, N. J.	Hébert	Sabath
Celler	Hendricks	Scoblick
Chapman	Hinshaw	Shafer
Chaperfield	Jackson, Calif.	Short
Clements	Jenison	Sundstrom
Clippinger	Kearns	Taylor
Coffin	Keogh	Thomas, N. J.
Colmer	Lanham	Trimble
Cooley	Lesinski	West
Courtney	Ludlow	Willson, Ind.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARNES of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4748, and finding itself without a quorum, he had directed the roll to be called, when 367 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The SPEAKER. The Committee will resume its sitting.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. CHELF].

(Mr. CHELF asked and was given permission to extend his remarks in the Appendix of the RECORD.)

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman, today I listened with great interest to the very splendid talk made by my colleague and good friend the gentleman from Texas [Mr. MAHON]. I may say that in what he said I find myself in almost complete agreement. In this period when our thoughts turn to the Christ Child, and the spirit of Christmas invades our thinking, I wish that it were possible for me to picture Uncle Sam engaging in this great international enterprise for pure idealistic principles. There are those who contend that the spirit which prompts the giving of relief as proposed in one part of the pending appropriation bill is, in order that the great heart of America, swelling with charitable impulses, may bring relief and succor to the hungry people of France, Italy, and Austria.

I have always had a lot of idealism in my faith, but in dealing with Joe Stalin we are dealing with a man who is practical, and to whom idealism, as such, is entirely foreign. So far as I am concerned, while I want relief to go to the suffering people of France, Italy, and Austria, I would never be able to justify in my own heart, or to the people whom I am honored to represent, my vote for a continuation of this international program, unless it was coupled directly to the interest and welfare of the people of the United States. I am glad to say that I have been privileged to make a great many speeches in this country and in sections where they were bitterly opposed to a continuation of our intervention in foreign affairs, but when the real purpose of this bill was explained and the real interest of America disclosed, I found, inevitably and invariably, an aroused and awakened interest in the efforts that your country and mine is making to try to stop the forward march of Communist penetration. When the Greek-Turkish matter was before this House, I asked in a conference with General Marshall and Mr. Lovett a simple question: "I want to know whether or not this program which you propose is an implementation of the military strategy of the United States Government." The answer which I received categorically from Mr. Lovett was: "Yes."

On that basis, Mr. Chairman, stripping this bill of all the puerile and idle talk we have heard, idealistic as it may be,

and beautiful as the concept may be, we can approach the consideration of this bill by asking ourselves a simple question, does this bill do anything to protect the interests of the people of the United States of America. If it does, then it is the policy of my country. I may harangue and argue about that policy all I please, but when I am put in the position of making a choice between the policy of my country and the policy of Stalin there is going to be but one answer as far as I am concerned. So I voted for the authorization legislation and I am here urging the adoption of this appropriation.

Does that mean that I must be foolish? Does it mean that I must be utterly oblivious to the facts of the situation in protecting the welfare and the interests of my people? You would think from the speech that was made by the gentleman from Missouri, the ranking man on this committee, that we have completely destroyed the efforts of the State Department to bring proper and orderly relief to Austria, to France, and to Italy. We are asking in this bill for an appropriation of \$509,000,000 for foreign relief. The authorization bill is \$597,000,000. We are therefore eliminating \$88,000,000. The gentleman said that is going to destroy this bill.

Let us think back for just a moment. The Committee on Foreign Affairs brought in a bill with a maximum limitation of \$590,000,000. They struck from the consideration items totaling \$67,000,000 and then substituted \$60,000,000 for China, bringing the total back to \$590,000,000. What were the items the Committee on Foreign Affairs struck out? They are the items that were referred to by the gentleman from New York [Mr. TABER]. They are listed here in the justifications under this bill.

The situation is just simply this: France has about \$226,000,000 of her own dollar exchange available to purchase supplies and goods. She says to us, in effect, "We need so much food and we cannot buy it. In addition to that, we owe our subscription to the international monetary set-up, we owe our subscription of \$2,000,000 to the International Labor Organization and some other international groups. We cannot support our embassies and our consulates, and we need \$10,000,000 for that. We owe Belgium \$17,000,000 under a contract that was made in 1945. We owed them \$40,000,000 but we paid them a part of it and it is down to \$17,000,000 now. We owe a balance of \$3,000,000 under a trade agreement with Brazil. So we are asking you, Uncle Sam, to make this contribution of ours good to the international monetary bank; we are asking you to pay our interest to the Export-Import Bank; we are asking you to pay up the principal we owe the Export-Import Bank; we are asking you to pay the expense, or make it possible for us to pay the expense, of maintaining our consulates; and we are asking you to make good, or make it possible for us to make good, what we owe to Belgium and what we owe to Brazil. The whole thing totals up to \$66,000,000. We have the money to buy \$66,000,000 worth of food, but if we buy this food, we cannot meet these obligations out of our dollar exchange. So

we want you to furnish us the food, so that we can take our money and meet these obligations.

"In other words, you make it possible for us to pay these \$10,000,000 to the International Bank, and then we can go to the International Bank and get credit and we can borrow \$30,000,000 more, about 75 percent of which Uncle Sam will pay. We want you to make our credit good with the Export-Import Bank so that if we go to make another loan, we will have good credit and good standing."

Now what did the committee do? Your Committee on Foreign Affairs of the House decided that they would not include most of those items and they struck out the whole \$66,000,000. That is the amount they had when they brought the bill here. Now your committee on Appropriations has simply said, "We do not believe that we ought to saddle the American taxpayers with the responsibility of paying these obligations, indirectly, of course, and if we are living in a group of nations of which Belgium and Brazil are a part, let them defer their obligations and at the same time maintain the good credit of France instead of asking the United States and its people to bear the whole burden. Insofar as what they owe us, let us defer. Insofar as what they owe the International Bank, let us defer payments and let them spend their money for food because this thing was designed as a pure interim proposition for relief and never was presented to the Congress as part of the Marshall plan for the reconstruction of France or any other country in Europe."

So your committee has seen fit to eliminate those items from the bill. There was another reason why—you voted that you wanted to do something for China. If you vote the entire authorization of \$597,000,000 for France, for Italy, and for Austria, how are you going to do anything for China, pray tell? So we have a reserve here—when the State Department brings to the committee a justification and a program for expending money for China, and so far as I am concerned as one member of that committee, I want the opportunity to provide funds for China—then this will make it possible.

The other \$22,000,000 in this item was for Italy. We struck those items out. What were they? Five million dollars payment to the United States for the settlement of certain war claims of United States nationals against Italy. I do not know what it is—Lombardo agreement, December 1947. Partial repayment of Export-Import Bank, \$7,000,000. Interest on the United States surplus property credit, \$4,000,000. Then again \$6,000,000 to maintain her diplomatic agencies in the dollar exchange countries. The total is \$22,000,000.

What I have said with respect to France applies with equal force to Italy because they have about \$126,000,000 available in dollar exchange which they can use themselves, or if they do not have the money, let them defer to their creditors—whether we are their creditors or not. How do we treat our own people,

pray tell? In the name of God, have we not been pretty good? Since VJ-day we have made available to Austria \$341,300,000. We have made available to France \$1,976,000,000. We have made available to Italy \$1,692,000,000, or a total since VJ-day of \$4,900,300,000 to which we now propose to add \$509,000,000 more.

How do we treat our own folks? I do not know how they do it in New York or in Kentucky, but I know how they do it at home. An old couple walk into the headquarters for relief and say, "Here, I am 67 or 70 years of age. We cannot work any more, and we need old-age assistance pensions." The first thing that they are asked is, "What have you got?" They say, "Well, we have saved up \$300 for our burial expenses, and we have a little home with a mortgage on it that we live in."

We tell them, "If you turn that home over, that \$300 over, we will give you a little pension." That is the law. That is what they do. That is how we treat our own people, but when we are dealing with this international situation, there are some people in the Congress who think that the Congress of the United States ought not to ask a single question; that we ought to give everything that is asked, without any strings tied to it whatsoever. We have tried to give you some facts explanatory of the action of your Appropriations Committee. I do not think I am disclosing any secrets when I say that the distinguished gentleman from Texas [Mr. MAHON] did raise some questions with respect to how this would operate if we held out this \$88,000,000, but that was the only question raised in the committee; and in the full committee there was not a single word said by anyone. Yet on the floor of this House it would be made to appear by the gentleman from Missouri [Mr. CANNON] that we are just stripping and killing this foreign-aid bill.

Mr. Chairman, we are doing pretty well by France, Italy, and Austria, and as far as I am concerned I want to do the thing that will preserve those countries. As one who is so interested, I believe that we have fulfilled our obligation, and there are many people in this country who are suffering and will suffer this winter who will inquire why it is that we must continue to go on and on and on, with no end in sight, nothing in the foreseeable future changing the foreign ministry situation in a complete breakdown, no end to these demands in the foreseeable future.

So, when we wrote the bill in the full committee this morning, thinking in terms of America, we wrote into the bill a little language, a part of which was offered by the gentleman from Mississippi [Mr. WHITTEN] and the other part offered by the gentleman who is now addressing you, by which we asked, as in the case of wheat, that the President survey the situation in this country as to fertilizer and as to petroleum products and let the American people know the facts as to what we are facing as a result of the shipments of these things abroad. In order to do what? In order that the people of America may know the real

facts and know and understand that every gallon of petroleum that leaves this country must be taken away from the possible consumption of the people of America. These facts appear without controversy, in the hearings before our committee. I think the American people will be willing to make such sacrifice as may be necessary, but they ought to be acquainted with the facts, and the amendment which we have offered merely requires the President to make those facts available and known to the American people.

The amendment, with respect to petroleum products, has for its purpose the thought behind the amendment offered in the House by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], who at all times has vigorously pressed for some action to protect the users of gasoline and fuel oil in America.

There is another phase of this thing that I just do not understand. The Army asked for \$490,000,000, supplemental estimate, for feeding in the occupied areas of Germany. France likewise comes in and says, "We want some help to feed the civilian population in our occupied part of Germany." They did not come in as Britain did, through the Army, but they come in through the State Department; and included in these estimates is over \$28,000,000 to enable France to continue to feed the civilian population in Germany in her zone of occupation.

We did not strike that out, but it raises a lot of serious questions as far as I am concerned. How long, pray God, are the American people going to be called upon without any voice in the conduct of the affairs of French occupied Germany, to pay the cost of feeding the civilian population?

Now let us look at the situation as to the other part of Germany. We have a bipartite pact with England that she should share expenses. I asked the question where England got her money to pay her share of that expense. Where? Why, the only place she could get it was to get it here. We lent her \$3,750,000,000. That has all been used up. So she comes in and says, "We cannot any longer pay our cost of maintaining the civilian population in our occupied areas; so, Uncle Sam, you have got to take that burden over." We did the feeding before, but we did it under the surreptitious device of lending the money to England and then through a bookkeeping transaction it was charged out of what we lent her. We all know, of course, that that loan will never be repaid. It is a gift. So now the thing is out in the open and we have got to pay the cost of maintaining the civilian population in British-occupied Germany. That is an obligation of Great Britain as an occupying power under the Hague Convention. What did we do about it? They wanted \$490,000,000 additional. About \$237,000,000 of it was on account of our assumption of the British obligation to support and maintain the population in her area.

They told us, Mr. Chairman, "We are negotiating an agreement with Britain."

"Well, what is the agreement?"

"Well, we do not know yet. A lot depends on what happens in the council of foreign ministers, and so on."

Mr. Chairman, we would like to see that agreement before we go any further. We want these people fed, we want to see that provision is made for them to be fed, but we ask them: What about the horde of civilian employees you are maintaining in Germany? What about the policy with respect to the operation of the coal mines and the sale of coal in your area? What about a thousand and one other things? We do not know a thing about it at present, but we are being asked to maintain out of American funds the cost of feeding the civilian population.

We have simply said this, "We want that program to continue. Here is \$100,000,000 to continue it. You have got enough money to run on; it will run you up to about the end of the fiscal year. After you have negotiated this agreement you come back to the committee. We will then know what the crop prospect is in Germany, we will have some idea as to what they can produce indigenously, and we will then get another look at this situation. And we are doing it in the interest of conserving and protecting the interests of the people of America to see if we cannot save a few dollars. If we are to be compelled to take over the entire feeding, especially in British-occupied Germany, then I for one want to insist that in the contract between the United States and Germany there shall be some provision made by which we will have some voice in the conduct of the civil affairs of that part of Germany. So we have reduced the amount of that request temporarily until we can get another look at the situation. Those are the big items in this bill and the items in reference to which there might possibly be some ground for argument or dispute.

Mr. Chairman, I want you to know that I have never had anything in the 9 years I have been a Member of Congress that has weighed so heavily upon me as has this very situation. You and each of you want to do the right thing for your country. So do I. I want to know, please God, that we are doing the right thing. It is a tremendous responsibility. The very fate of the world may be determined by what we do. To me it is just that serious.

Your committee has approached this thing from that point of view. We have given for foreign relief and for relief in occupied areas every dollar that the taxpayers of the United States ought to be called upon to give. I hope that this committee, when it gets to the reading of the bill, will not be swayed by some emotional appeal and will support the committee.

I ask that you look on page 5 of the bill and you will see that the committee struck out the provision beginning in line 1 and ending before the word "Provided" in line 3. Personally, I do not think it makes very much difference whether it is in there or out, but there were those people who were interested in the livestock industry and in the poultry business who were adverse to putting

the seal of approval in advance of any legislation on the subject to any proposal that would give the right and power to the Department of Agriculture to establish weights and grades that represent the most efficient utilization of grain. The matter is clearly a voluntary proposition.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from Kansas.

Mr. SCRIVNER. The reason for that amendment, as the gentleman will remember, is that this program of establishing weights and measures reads, as will be seen on the bottom of page 4, "under existing law."

Mr. KEEFE. Yes.

Mr. SCRIVNER. We felt that as far as we could see there are no existing laws which would empower the President to take action like that, and knowing some of the gentlemen who might carry on part of this program we thought the better part of judgment was not to give any stamp of approval or any congressional idea that there might be some existing law of that nature.

Mr. KEEFE. I think that was explained to the committee. It is contended that there is no law that would give authority to impose any such regulations. Anything that might be done in that regard would have to be through pure voluntary action and in the absence of any legislation on the subject the committee felt that it could very well be stricken from the bill.

I may say to the gentleman that his very persuasive argument in the committee convinced me, and should convince the Congress, that we ought not to take any step that would by implication or otherwise place the seal of approval of the Congress upon any such regulations to be imposed on the poultry and livestock industry by the Department of Agriculture. I congratulate the gentleman from Kansas [Mr. SCRIVNER] in the very firm and adequate presentation which he made in behalf of these two great agricultural interests.

The other little item in the bill with respect to the Federal Security Agency of \$1,300,000 and \$40,000 for miscellaneous expenditures is an item to which there is no objection because it simply requires an appropriation to meet a definite obligation of the Government to pay employment compensation to seamen who are paid their compensation by the respective States of the Nation. This is to reimburse the States for the amount of money which they have paid.

We may get into an argument and amendments may be offered to the bill when it is read for amendment.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. KEEFE. Mr. Chairman, I hope when we get to a consideration of the bill, and the main part is involved in this foreign-relief program, in the direct appropriations for relief and in the request of the Army for supplemental money for relief in the occupied areas, the committee will not be diverted from supporting

the action of your Appropriations Committee which has labored for weeks, as a matter of fact, ever since the Congress came back into special session, to try to get the real truth and the facts.

Now, all we are asking is this: "Mr. President, when you spend this money for wheat, we want you to be sure before you complete all your shipments under this program that you are going to have a 150,000,000-bushel carry-over for the protection of the people of the United States." Is that not fair? That is 50,000,000 bushels less than they ought to have as a normal carry-over, and all we say is, "Mr. President, when you are shipping those amounts of fertilizer and nitrogenous fertilizer abroad, we ask that you investigate the situation of the needs of America just a little bit and let the American people understand and know the relationship between these shipments abroad and the needs here at home, and when you are shipping these millions of gallons of fuel oil abroad, that are so desperately needed to heat the homes here in America, we ask you, Mr. President, in administering this law, that you look into the needs of the people of America just a little bit and tell us whether we can safely go on and make these shipments and still at the same time do what we ought to do for the protection of our own people".

I think when you view it that way you will find that the committee has done a pretty good job in bringing this bill to you.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from South Dakota [Mr. CASE].

Mr. CASE of South Dakota. Mr. Chairman, the gentleman from Wisconsin has pretty well covered some of the features in the bill which I had intended to cover, and I may not use the 10 minutes. I would, however, call the attention of the Committee to some of the things which the Congress should keep in mind as we deal with this whole problem of foreign aid:

Attention has already been directed to this question of the assets in dollars which these countries have that they would apply to the purchase of food or would apply to some of these other purposes if we provide food. There are a couple of other things which should be kept in mind, and I mention them at this time because as this matter of foreign aid develops, we should watch them.

The first is that the dollar crisis in Italy and France was precipitated by the decision of the British to suspend sterling convertibility, and the last \$400,000,000 of our loan to England was held up when the British suspended convertibility on account of conditions when the loan was made. Very recently the balance of the loan has been made available to England. The understanding is, as we have been notified in the press, that Britain expects to resume convertibility under certain conditions. When the convertibility was suspended, the dollars which Italy and France expected to get out of converting their sterling balances, of course, were not available to them. If the resumption of the loan and the resumption of the convertibility makes ad-

ditional dollars available to France or Italy, then I believe that the United States Congress should know about it in order that we may take that into consideration in dealing with further requests under the foreign-aid program.

The second thing that we should keep in mind is the assets that these countries have in the United States, in securities. Before we get any deeper in this foreign-aid program we should have a definite report upon that.

The gentleman from Missouri, in objecting to the cuts made in this bill, said it would be a bad precedent to say to these other countries that they should not pay their debts. The United States is not saying that, but even if that were true, it would also be a bad precedent for the United States to say, "No; do not pay your debts; we will pay them for you, and you can owe us." Of course, actually they are not going even to owe us, because they are to put up some inflated currency which will be available only for expenditure in those countries for relief purposes there, for such purposes as they agree to. May I say to the House that if we adopt the philosophy suggested and say to these countries, "If you get a little alarmed about your political status, come to us and we will put up the money so you can meet all your obligations," we will have established a bad precedent for blackmailing the pocketbook of Uncle Sam.

There are some tables which were in the justifications submitted to the committee which I shall place in the RECORD, with permission which I expect to obtain in the House, which put this picture before you clearly and factually. Actually, we did not cut the bill as much as we should on this point, and the evidence of that will be in the tables which I shall submit.

(The matter referred to follows:)

APPENDIX E

(P. 43, justification)

France—Dollar requirements and available resources—Oct. 1, 1947–Mar. 31, 1948

[In millions of dollars c. l. f.]

Expenditures for supplies:

Cereals from United States.....	139
Cereals from other sources.....	41
Milk and other foods from United States.....	8
Fats and oils.....	43
Coal from United States.....	176
Coal from Germany.....	14
Petroleum products.....	70
Cotton.....	55
Fertilizers.....	9
Other raw materials.....	95
Imports of food supplies for French zone, Germany.....	28
Imports for French overseas areas (excluding cereals, coal, petroleum supplies).....	52

Subtotal..... 730

Other expenditures:

Payments to Belgium for Belgians under commercial agreement.....	30
Payment to Brazil under commercial agreement.....	10
Interest on foreign debt.....	26
Administration and other expenses.....	10
Additional contribution to International Monetary Fund.....	10

Subtotal..... 86

Total expenditures..... 816

France—Dollar resources available—Oct. 1, 1947, to Mar. 31, 1948

[In millions of dollars]

Resources available:

Earnings from exports of goods and services.....	60
Stabilization fund balance as of Oct. 1, 1947.....	50
Possible drawings on International Monetary Fund.....	30
Balance of International Bank loan available for purchases of supplies.....	21
Estimated liquidation of French dollar securities.....	80
U. S. Army payment.....	50
Export-Import Bank credit available for purchases of supplies.....	93
Restitution of gold from Germany.....	104

Total resources..... 488

Mr. CASE of South Dakota. Subtracting the four hundred and eighty-eight from eight hundred and sixteen, you get three hundred and twenty-eight millions. That is the amount of the request for France.

(P. 23 from the justifications)

It is proposed here that the difference of \$328,000,000 be supplied by the United States as interim aid.¹

It is now anticipated that this amount of interim aid, if forthcoming by December 1, 1947, will be used to purchase the following commodities:

TABLE V.—Commodities to be financed for France under interim-aid program, Dec. 1, 1947, to Mar. 31, 1948

[Millions of dollars]

1. Bread grains.....	115
2. Milk products.....	3
3. Other special foods from United States.....	3
4. Fats and oils.....	16
5. Coal from United States.....	116
6. Coal from Ruhr.....	9
7. Petroleum products.....	22
8. Cotton.....	35
9. Fertilizers.....	9

Total..... 328

If the foregoing products are supplied to France under the interim-aid program, France's own resources should suffice to cover its other essential outlays, as is indicated in Table IV.

TABLE VI.—Outlays to be covered by France and resources available for that purpose during period Dec. 1, 1947, to Mar. 31, 1948

[Millions of dollars]

(P. 24)

Requirements:¹

1. Cereals.....	30
2. Fats and oils.....	12
3. Petroleum products.....	23
4. Food imports for French zone in Germany.....	13
5. Essential supplies for French overseas areas.....	32
6. Imports of industrial materials.....	52
7. Service of foreign debt.....	26
8. Payment to Belgium on commercial account.....	17
9. Payment to Brazil on commercial account.....	3
10. Additional contribution to International Monetary Fund.....	10

¹ Equipment items are not listed since it is contemplated that the French will, during the interim period, restrict their equipment imports to the funds becoming available exclusively for this purpose. These will consist of approximately \$100,000,000 of funds from outstanding loans from the Export-Import Bank and the International Bank for equipment purchases, available for this purpose as of Oct. 1, 1947.

Requirements—Continued

11. Administrative and other expenditures.....	10
Total.....	228

Available resources:

12. Balance available on Dec. 1, 1947.....	153
13. Liquidation of French dollar securities.....	35
14. Earnings from exports and services.....	40
Total.....	228

When you look at the tables, note the items under the heading "Other expenditures" which total \$86,000,000 in the October 1 table labeled "Appendix E." Then compare them with items 7 to 11, inclusive, in the December 1 table VI. You will note they then total only \$66,000,000, meaning that France has paid \$20,000,000 in those items. But \$328,000,000 was requested for France. To get that \$328,000,000 figure you have to use the table for the 1st of October, shown as appendix E. In that table, showing requirements between October 1 and March 31 France had demands of \$816,000,000, against possible dollar assets of \$488,000,000. You subtract one from the other and you get \$328,000,000, which was the item that was requested. Since the 1st of October, France has paid \$20,000,000 on these obligations, but the requests for France are based on her dollar deficits as of that date. The cut, however, which amounts to \$66,000,000, is found by totaling the other expenditures of the character discussed in the table for December 1—table VI.

Since the \$328,000,000 which she requested was based upon the October table, it is evident that France expects to recoup some of these payments out of the dollars saved by the food we provide. So in my judgment, the appropriation is not cut as much as it should be. It should have been a cut of eighty-six million at this point instead of sixty-six.

The situation in Italy is much the same, and I shall ask permission to put in the tables on Italy, too. They speak for themselves and readily show where the twenty-two-million figure was suggested.

(From p. 49 of the justifications)

TABLE X.—Dollar outlays to be covered by Italy and dollar resources available for that purpose during the period Dec. 1, 1947–Mar. 31, 1948

[Millions of dollars]

Requirements:

1. Cereals.....	25.0
2. Coal.....	13.0
3. Petroleum supplies.....	15.0
4. Cotton and other textile fibers.....	15.0
5. Raw materials for chemical industry.....	10.2
6. Rubber and carbon black.....	5.1
7. Industrial fats and oils.....	1.3
8. Hides and leather.....	4.0
9. Ferrous metals.....	11.0
10. Nonferrous metals.....	9.4
11. Minerals.....	1.0
12. Lumber.....	4.4
13. Other industrial materials.....	18.6
14. Other foodstuffs.....	4.0

Total commodity requirements..... 137.0

Invisible items on current account..... 22.0

Total payments..... 159.0

TABLE X.—Dollar outlays to be covered by Italy and dollar resources available for that purpose during the period, Dec. 1, 1947–Mar. 31, 1948—Continued

[Millions of dollars]	
Available resources:	
1. Exports of goods and services—	77.0
2. Export-Import bank loans—	55.0
3. Liquidation of blocked assets in United States—	10.0
4. Treasury suspense account—	2.0
5. POW's trust fund account—	15.0
Total receipts—	159.0
Explanatory data on invisible items on current account (table X, item 15).	
The \$22,000,000 invisible items on current account include:	
Payment to United States for settlement of certain war claims of United States nationals against Italy (Lombardo agreement, Dec. 1947)—	\$5,000,000
Partial repayment of Export-Import bank 1946 cotton loan (Dec. 1947–Mar. 1948)—	7,000,000
Interest on United States surplus property credit (Jan. 1, 1948)—	4,000,000
Diplomatic expenditures, prewar bond settlement, interest payments, and miscellaneous financial items—	6,000,000
	22,000,000

With respect to the sections in the bill that deal with the occupied countries, I wish to point out that we have a responsibility in the occupied countries where our troops are that is greater than we have in France and Italy. France, Italy, and Austria have governments of their own. We are in Germany, Japan, and Korea, and to an extent in Austria, as an occupying power where we have a responsibility under international law to provide a minimum of subsistence for the civilian populations. The countries which have their own governments determine their own policies. But where we are the occupying power we determine the policies. We determine the capacity of these countries to get on their feet and their capacity to balance their exports against their imports. In determining those policies, under international law, we accept the responsibility for feeding them.

With respect to the British zone in Germany, where it is proposed that we take on \$237,000,000 additional, as the gentleman from Wisconsin has pointed out, we are advancing \$100,000,000, and are saying to the British, "Before we take on the full load and before we take on an irrevocable commitment, we want to know what voice we are to have on the policies to be pursued in the zone."

The fair-minded people of England recognize that the United States in taking on a larger share of the dollar responsibility should have a larger voice in the policies to be followed.

There is the matter of personnel.

The gentleman from Ohio [Mr. CLEVELANDER] a moment ago reminded me that in the British zone there were reported to be 1,040 agricultural agents, whereas in the United States zone we have 52. When the subcommittee for Germany and Austria of the Select Committee on Foreign Aid asked questions about the personnel in the British zone, repeatedly

we found that the British personnel was greater than ours—often about double—for it is also true in the bizonal set-up.

THE ECONOMIC POLICIES PURSUED DETERMINE THE RATE OF ECONOMIC RECOVERY

In the operation of the North German Coal Commission, the policies which the British were following were policies which many of our people seem to feel were expensive. It was with reluctance, apparently, that the British offered incentives for increasing the production of coal. They were opposed to the use of incentives in operating the coal mines in England, and they wanted to carry that same policy over in the operation of the coal mines in Germany. For many months German coal production went along on a level of about 200,000 tons per day.

Finally the commission did agree to offer incentives in the form of CARE packages. Almost immediately that brought coal production up to about 243,000 tons per day. There it leveled off again.

Then the United States representative on the North German Coal Commission in a liaison capacity proposed other policies which the British were reluctant to adopt. Among them was the placing of the management of the mines in the hands of a German who had considerable experience and the knowledge to deal with with his own people. Finally, about the week that we were leaving Germany, a decision was made by the British acceding to the suggestion of the Americans. Within the space of 6 weeks, coal production went up to approximately 280,000 tons per day.

The Germans told us at the time that if they could operate these coal mines the way they believed they ought to be operated, that they would have the production up to 300,000 tons a day by the first of February, if not by the first of January. Everyone knows that increased coal production is the key to recovery over there.

Why is it important that we have some understanding as to the policies that will be followed in the British zone if we take over the bill? It is because these policies of management and these policies of operation and these practices with regard to the number of personnel determine the size of the bill that the American taxpayer will be called upon to pay. That is why the committee felt that before we committed ourselves irrevocably to the entire bill, that may be presented by the British, we should know what the terms of the agreement are, and we should have an increased voice in determining the policies that are to be followed.

There is another angle to the proposition, and that is the dismantling of industrial plants in Germany. I have pending before the Committee on Foreign Affairs two resolutions which deal with that subject, one a resolution of inquiry, and the other proposing a temporary suspension of the dismantling of plants until Congress can review the situation.

Under the Potsdam Agreement, and under prior agreements, Germany surrendered or was compelled to surrender a great deal of her area to Russia and to

Poland, East Prussia, and a great deal of Silesia. Those areas which were surrendered contained about 30 percent of the industrial potential of Germany. The Potsdam agreement also permitted Russia to get all of the dismantled plants taken from her own zone and 25 percent of the plants dismantled in the western zones. Of the remaining 75 percent in the three western zones, Russian satellite countries get an additional 14 percent. The total result is that Russia has access to about 55 percent of the industrial potential of old Germany.

Of course, that policy was initiated on the ground of demilitarizing Germany, but by the very same term, if it disarms Germany, it rearms Russia.

There is reason for thinking that many of the plants should have remained in Germany on simple economic grounds. There was one very large ballbearing plant which was so large that it was split. One half of it went to Russia and half of it went to the Western Powers. Under the agreement based upon the Potsdam agreement, no ballbearings are to be manufactured in Germany. Now, no one can contemplate the industrial recovery of Germany in any degree unless she has a few ballbearings. When the request is made for the Marshall plan you will find that the United States will be required to furnish ballbearings which otherwise would have been made in Germany.

I brought to the attention of the Foreign Affairs Committee a large soap manufacturing plant that is on the list for dismantling.

Mr. DONDERO. Will the gentleman yield right there?

Mr. CASE of South Dakota. I yield.

Mr. DONDERO. If half of that ballbearing plant went to Russia, where did the other half go?

Mr. CASE of South Dakota. To various powers of the west, but not the United States.

Mr. DONDERO. It was completely removed from Germany?

Mr. CASE of South Dakota. It was completely removed from Germany. Under the current rationing in Germany, they are allowed about 50 percent of the soap and cleaning powders which they had during the war. That is, the current rationing is only 50 percent of what they had during the rationing of war, yet this soap factory is one of those now to be dismantled. And we have testimony that women and children are dying in Germany today because of unsanitary conditions in German hospitals, due to the lack of proper cleansing agencies.

Mr. SMITH of Ohio. Will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. SMITH of Ohio. Is that not the precise policy that was adopted by our Government, to starve to death and to destroy all vestige of the German people? Is that not what the Morgenthau plan was?

Mr. CASE of South Dakota. I think that is probably a part of what has been referred to as the Morgenthau plan. Of course, we say today we are not following the Morgenthau plan.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. TABER. I yield the gentleman two additional minutes, Mr. Chairman.

Mr. CASE of South Dakota. I realize that this whole question of reparations goes into the related question of security for the Western Powers. I know France has her fears about Germany, but I want to express the thought here that if security for the small powers of western Europe is to be established, if security for France is to be established, if stability in Europe is to be established, it will require the reimplementation of some of Germany's industrial capacity. Germany does not have the raw materials to establish a balanced economy by exporting them alone.

If Russia ever wants to move to the west, she will not be stopped if our reliance for stopping here is France, Holland, and Belgium. She will be stopped from moving to the west only if there is strength in Germany, too. That does not mean that you must rebuild a strong nationalized Germany, but it does mean that you must permit economic development along with her neighbors east and west.

Personally, I hope that out of this situation there can come the development of the free states of Europe, which will include Bavaria, Hesse, Wurttemberg-Baden, Westphalia, and the other old states of Germany, along with Belgium, Luxemburg, the Netherlands, and France, and thereby build a bulwark for western civilization to hold the line until mankind, some way, with more wisdom than now seems apparent, finds a way for all the peoples of the world to live together in peace.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. KERSTEN of Wisconsin. In the hearings was any consideration given to the increase or change of that amount allotted to Germany with regard to education of children?

Mr. CASE of South Dakota. There is about \$1,450,000, but the main part of the educational program is carried on in the funds originally appropriated for the fiscal year. The estimates before us were primarily for subsistence, as far as Germany is concerned now. In the funds provided for Austria I would not say that that is true because she shares in both funds. Austria's share in the money for occupied areas goes largely for informational and educational purposes. It is quite substantial and is in addition to the \$58,000,000 for relief.

Mr. KERSTEN of Wisconsin. Was any consideration given to any change in the amount allowed for protective clothing for workers in Germany and so on?

Mr. CASE of South Dakota. I do not recall any testimony on that at all.

Mr. KERSTEN of Wisconsin. It was purely on a food basis; is that right?

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, the President of the United States, under the power he claims was delegated to him by the Trade Agreements Act, has just issued a proclamation which will reduce tariff duties on imports into this country to the lowest level in many, many years.

It is quite apparent that he feels confident the Congress will not upset any foreign commitments he has made, regardless of how disadvantageous they may prove to us, and therefore the Congress will not dare meddle with any one of the thousands of new low rates of duty he has agreed to.

The State Department has presented the President with one massive trade agreement which has not yet been accepted by a number of the negotiating countries. I am not at liberty to give names, but I have information from a high Government source that Mr. Truman is very anxious to put these new rates into effect as of January 1, 1948, and he is having considerable difficulty in finding how he can sign only part of the agreement and yet adhere strictly to the rules.

Reports from the State Department as late as yesterday indicate that the President will refuse to name the separate countries to which individual concessions were made, but that he will temporarily exempt certain products in his proclamation, possibly until more nations formally accept the terms of the agreement.

Because of the importance of the pending agreement to the American farmer, laboring man, and industrialist, and the uncertainty of its status, and also because the Ways and Means Committee has held extensive hearings to determine whether the Trade Agreements Act, which expires next June, should be renewed, I wrote the President a courteous letter on December 8 requesting from him certain information which I felt would be helpful to our committee. My letter was inspired by a sincere desire to secure light on what appears to be a chaotic situation. Without taking time to read my letter, which was prompted by information given me by American officials who were closely connected with the negotiations at Geneva, I will insert it at this point:

DECEMBER 8, 1947.

The PRESIDENT,

The White House.

Mr. PRESIDENT: I have been hearing persistent rumors from reliable sources that you will soon proclaim the tariff concessions the United States recently made in the negotiations at Geneva. These same rumors indicate the possibility that you will sign all of the concessions listed in schedule XX of the general agreement regardless of how many nations will have actually formally accepted the agreement.

It is difficult for me to believe that the executive department would make tariff concessions effective unless the principal supplying nations had offered at least some token or quid pro quo. I am sure I speak for a substantial number of my colleagues when I say that such action would be contrary to the intent of Congress which passed or extended the Trade Agreements Act.

The Ways and Means Committee was given assurance by certain of the United States delegates to Geneva that negotiations would only be conducted with principal supplier na-

tions. Neither the United Nations' publications nor the documents released by the State Department give any indication of which concessions were made to each individual nation. Until the Congress can identify each individual concession with the country to which it was granted, we will not have the information necessary to appraise the value of extending the Trade Agreements Act.

I would appreciate knowing whether it is planned to make all of the concessions listed in schedule XX effective on January 1, 1948, and whether there will be released the name of each country to which the United States made individual concessions.

Respectfully,

HAROLD KNUTSON.

In reply I received from the President a most amazing reply. I read:

THE WHITE HOUSE,
December 11, 1947.

DEAR CONGRESSMAN KNUTSON: Replying to yours of December 8, rumors from reliable sources are not much on which to come to conclusions.

When the Trade Agreements Act is ready to be approved and implemented you will be informed officially through channels which will have no foundation through rumors.

Sincerely yours,

HARRY S. TRUMAN.

Mr. Chairman, I do not want to comment on the composition of the letter, but rather, the spirit that prompted its writing.

Mr. Chairman, May I say parenthetically that the term "reliable rumors" to which the President and I have referred were more than rumors. The information came to me from highly placed Americans who were at Geneva during the negotiations and were at all times fully advised as to what was being done to us.

Mr. Chairman, I had not come to any conclusions with reference to an extension of the Trade Act, or I would not have written to the President in the first place.

The iron curtain of secrecy behind which the agreement was negotiated, is a travesty on the word democracy. The President's letter can only mean that he will continue to keep the Congress in the dark until he is sure there is nothing the Congress can do about it.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Nebraska.

Mr. CURTIS. Regardless of what merit is found in these trade agreements, the State Department must stand convicted of not showing its hand to the American people. It lacks forthrightness. It heralded from one end of the country to the other the fact they had secured a concession from Great Britain that Great Britain would reduce or eliminate certain of their imperial preferences. They never told the American people that this concession was conditioned upon our synthetic rubber program in this country. But in the reports published by the United Nations it was revealed that if at any time the United States Government required the use of more than 25 percent synthetic in our rubber consumption Great Britain would be relieved from the concession she granted to eliminate or reduce imperial preferences.

This particular concession is rendering it very embarrassing to the Congress in extending the Synthetic Rubber Act which expires in some 60 or 90 days.

Mr. KNUTSON. Well, it may be well to note at this point that we have about seven or eight hundred million dollars invested in our synthetic rubber industry which we had to build up from scratch after the attack on Pearl Harbor and as a war measure. It is my opinion that the action agreed upon at Geneva is such as will practically destroy the synthetic rubber industry that we have so carefully nurtured and built up in this country in the last 6 or 7 years against future contingencies and emergencies.

Mr. GEARHART. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from California.

Mr. GEARHART. Is it not a fact that every concession we have been able to obtain, or very nearly every concession we have been able to obtain, from other countries has been conditioned upon the sacrifice of an American industry. The synthetic-rubber industry is but one example. The wool industry is another; the American jewel and watch industry is another. The list could be greatly enlarged upon.

Mr. KNUTSON. How about the dairy industry when they cut the tariff in two on butter for 6 months each year and it will be effective during the winter months when our production costs are at the peak?

Mr. GEARHART. The list could be enlarged many times, but the result all along the line, in obtaining concessions for this country, has been to the detriment and sacrifice of American industry.

Mr. KNUTSON. The gentleman is quite right. I well recall back in 1913, after the Democrats got control of the Government, they passed the so-called Underwood Free Trade Act, which gradually dried up industry in this country, and had it not been for the outbreak of World War I early in August 1914, we would have had a depression such as we went through back in the 1930's.

Mr. GEARHART. Mr. Chairman, will the gentleman yield further?

Mr. KNUTSON. Yes, gladly.

Mr. GEARHART. We came out of the blighting effects of the Underwood tariff only when the war broke out. During the war, of course, we had what was in effect an embargo tariff, and that was the war itself. But, when we came out of the war and the outside world got back into production, America became the dumping ground of the world.

Mr. KNUTSON. Right, I well recall it.

Mr. GEARHART. It became so critical to American business, labor and agriculture, that it was necessary to assemble the Congress of the United States in special session and enact an emergency tariff law. Now, since we have a tariff, as a result of all these agreements, which is lower than the Underwood tariff adopted in 1913, which precipitated dumping in this country, is it not to be anticipated in the days that lie ahead, when the outside world gets back in full production, that America

will again become the dumping ground of the world, and again we will have to take drastic measures to remedy the situation.

Mr. KNUTSON. Yes. Unfortunately we Americans have short memories and we do not seem to learn from past experiences. Of course, we must have a certain amount of protection for the American producer, and more particularly since we are on a 40-hour basis, and all overtime is paid at the rate of time-and-one-half and double time. But, we will probably have to go through all that painful experience again because the dogooders and the bleeding hearts are in the saddle, and they are not happy unless they are playing Santa Claus to the peoples of other countries. Today we voted to appropriate \$2,000,000 to relieve the starving Navajos, wards of the Government, who are dying from disease and hunger. I believe I was the first man to take the floor and plead for them. I have never heard one of the bleeding hearts get up on this floor and plead for our starving people at home. The farther away the suffering is the more tears they shed and the more their sympathies are aroused. It does not arouse them that thousands and thousands of American children in this country cannot go to school because of insufficient clothing. That does not interest them because it is not front page stuff. It is only when you propose to do something for other lands that our sob sisters become aroused. Henry Wallace had the idea: A bottle of milk in front of every Hottentot for breakfast every morning. Nothing was said about a bottle of milk in front of each American child each morning, many of whom are badly undernourished. No, that would be too prosaic.

The Trade Agreements Act is due to expire in June—unless renewed. Mr. Truman sends word to the Congress that—and I quote:

When the Trade Agreements Act is ready to be approved and implemented you will be informed.

He has basked so long in artificially-created emergency powers that he unconsciously assumes that the renewal of this act is his prerogative—after which the Ways and Means Committee will be notified officially.

The President is evidently a little worried about having considerably overstepped the authority Congress granted him and I offer his letter as evidence of that. He is going to have great difficulty in explaining his actions when the full impact of these radically lowered tariff rates strikes the American farmer, toiler and producer.

The United States of America is not yet ready for unrestricted free trade. Neither are we ready to surrender to other countries the great American market, which is the only cash market in all the world.

The Republican party in Congress is dedicated to the maintenance of the American standard of living and that can only be done by protecting the producers in America in their jobs and markets.

Mr. TABER. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. CLEVINGER].

(Mr. CLEVINGER asked and was given permission to revise and extend his remarks.)

Mr. CLEVINGER. Mr. Chairman, I am glad that some of this emotionalism has subsided. I thought some of you might be interested a little bit in the asset side of this European situation.

Many of you are wondering how long this is going to continue. I want to give you just a few observations as one who has been more or less trained in agriculture and business generally.

I want to disabuse you of the idea many of you have that Europe is a poorhouse. If you would stop to think, many of you would realize that she could not have enjoyed a war about every generation had she been a poorhouse. She has had the greatest example in the world of a way of life right in the center of Europe for more than a century. I refer to the Swiss Republic. The rest of Europe might have followed and expanded the example of the Swiss Government and Swiss culture and enjoyed an economy fully as strong as ours; a United States of Europe, and save a century of bloodshed and suffering.

I had a lot of misleading information from my own Government before I went abroad. By way of preface, may I remind you that I was on the Scarce Foods Committee of the House Committee on Agriculture. We were told last January, as you remember, that it would be impossible to lift the rationing of sugar. This committee, under the leadership of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], did nothing but lay facts before the American people and the American Congress in regard to the supply of sugar in the world, and out of the window went sugar rationing and 38,000 jobs of rationing sugar and bedeviling and bothering the American people. Our memories are short about that. Sugar goes where it is wanted, naturally and readily.

Then this same committee was told that it would be necessary to take from 7½ to 8 pounds of fat away from every American, cooking fats and oils, and this committee after research in that field developed information as to the supply of fats and oils in the world. We now have soap chips and we have shortening and we have cooking fats. Such is the force of truth when people and their Representatives know the truth.

When we got ready to go to Europe I think everybody on the committee except myself bought food to take with us, because we were told there was a great shortage of food in Europe, but the Scottish side of me sort of rebelled at that and I carried nothing with me but about half a dozen bars of soap, which were really the thing we needed. Did we find a poorhouse in Europe? We were told that the flooded polders of Holland would be sterile for 30 years, well 75 percent of them produced better than normal in 1947—all will produce in 1948. I am excepting the occupied areas of Europe, Austria and Germany, from any remarks I make. By way of comment on that, I

think it is going to be to the everlasting shame of this Government as long as men's memory lasts at the operation of this hard peace on a fallen foe. I think it will make us blush a century from now when the story of that is told. Most of the suffering you have heard of and most of the shortage of food you have been told about is the story of Germany and the occupied areas. For that someone besides ourselves must make atonement.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. CLEVINGER. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Is it true that a number of European countries that are now applying for more aid from America have between 20 and 24 billion dollars invested in gilt-edge securities in this country?

Mr. CLEVINGER. I cannot make reply to the chairman of the Committee on Ways and Means as to that. His information should be better than mine. I am speaking now just for a moment about food, because this bill relates mostly to food.

Mr. KNUTSON. They do have enormous sums invested in this country. Why not make them sell their securities and feed their own people before they ask us to feed them?

Mr. CLEVINGER. I am quite willing to do that. I think it makes a man smile when he talks about carrying relief to Antwerp, Brussels, or Rotterdam, probably three of the greatest centers of capital in all this world.

I want to tell you a little something of the trip of this committee. After going through Colonel Hester's—United States commander in charge of food and food production—gardens, 8,000 acres of them in Berlin, we went down into the Austrian area first. I want to show you now something about the effect of the worthless currencies. In the exchange of farmers' produce, and this is true in France and Italy as well, and the product of men's hands in industry suffer likewise. Driving by car from Berchtesgaden through the French occupied area of Austria, we came upon a sale of cattle. To my amazement most of those cattle were 3- or 4- or 5-year-old steers. In speaking with the men there I found that the auction at the behest of the French Government was largely a sale of cattle from one owner to another, and that many of the cattle would go back to their rightful owners as soon as the French departed. But there they were, being sold. If you were a peasant, which would you rather have? A handful of wallpaper which they call money, or a 1,400-pound steer? One of the things they have got to do is to get rid first of all of these currencies and restore value to the new—and thus confidence to the producer.

I can say to you without any fear of contradiction that probably three-quarters of the French wheat crop is still in bundles. They do not thresh their wheat the way we do here. They either thatch them in the field so that they can stand for years without taking any moisture, or it is under cover and it is

threshed as they need it. I say to you I am done, in the absence of an act of God or a drought, with voting any more food to western Europe outside of the occupied areas. They would not have needed this now except for this drought which was an excuse, and if the Frenchmen had planted a full crop of wheat instead of about three-quarters of a crop of wheat.

I am tired of seeing people in this country, many of them old, tired people 80 years old in my district, for example, raising this wheat to send over to these people in the cities who work only 4 days a week. Three days of holiday per week is too long. I told them in several places if they would mine more coal and raise more wheat and less hell, they would have more coal for heat and power and more wheat for bread. But we are off on a do-gooding spree, and there is no question about that. No; there are not dead and dying in the streets from starvation.

We went to Denmark. The story of Denmark is the story of Scandinavia. The first thing they talk about needing is coal. The second is steel products. The third is fertilizer, and the fourth is agricultural implements. The next thing is the restoration of Germany, because Germany was their best customer. That was true in every country except France. They admitted it openly. Down in south Germany we came to a place in Bavaria where 50,000 tons of fruit and vegetables used to be traded across the line with Italy. A commerce centuries old and now forbidden. Now that was forbidden for some reason or another, because the French and the British do not even seem to want the people in the German area to taste fruit or to have fruit. The story was told that the fruit decayed and vegetables could not be used because for some reason or another the frontier was closed. We must get rid of these economic bloodclots in the European economic system or else we will have to go on supplying them forever and a day. I want to tell you if anybody thinks for a moment that we have a city of a million population which will compare with Copenhagen, much less with Stockholm, they are deluded and foolish. There you have a million people who are housed better than any million people that you could find in America, with not a slum area in either one of those cities of like millions of our ill-fed, ill-clad, and ill-housed here at home. Generally, their farmers are better housed than ours here at home. You will find the same if you go to Belgium or Holland. Belgium, by virtue of being brave enough to have a free economy, is so far ahead of the rest of occupied Europe that they will never catch up with her. In these countries when we started to make a survey on the basis of the questions in the questionnaire which the chairman sent along for information regarding the Marshall plan, they politely told us, "We asked your Government for nothing. We were invited to come down to Paris and tell you what we could use." One of the Scandinavian countries was quite bold about it, and they so stated that without any varnish. I say to you that we had better stop this

unnecessary relief or we will have the same thing that exists in Paris and Rome where you cannot stop to look at a store window but what there is a money changer who wants to sell you the currency at 40 percent of the going rate. I do not want to see that here, and it can happen here if we forget the caution lights and keep up the spending.

Mr. KNUTSON. Mr. Chairman, if the gentleman will yield, does he recall after the war when the GI's would go to a United States Employment Office to get a job, they would say, "Why take a job? Draw your \$20 a week for 52 weeks." That is precisely what we are doing in Europe. We are telling them, "Why produce? We will take care of you."

Certainly let us encourage them to produce; France and Italy are finally facing up to the strike situation as we did here. They have handled that manfully as our Congress did here. They must face up to a sound currency, cut civil expenses, restore frugality and honesty in government.

We have nearly broken Europe in their "keeping up with the Joneses," that is ourselves in extravagant domestic and foreign government policies we pursue. Let us set an example on that. On one farm in Italy we saw 600 fine Holstein cows, the herd headed by a \$25,000 Carnation bull from the United States. They were selling young bulls at \$1,000 each to other breeders, and again on another state farm were 2,200 dairy cows, 5 stallions, jocks, and 5,500 people living on this farm of 14,000 acres in the Pontine Marshes, reclaimed under Mussolini. No; Europe is not a poorhouse.

Mr. CLEVINGER. I want to say to the gentleman that in the city of Stockholm one lady minister of the government giped at the committee about our having a tariff so high that they could not sell their products in America. I waited for seniority to take its course, and then I asked this lady minister what it was that they could not send to America because of the tariff. She said, "Steel products and steel."

The CHAIRMAN. The time of the gentleman from Ohio [Mr. CLEVINGER] has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. CLEVINGER. I asked her to tell me what it was in steel products that she could not ship to America, because God knows all Europe wanted steel if they could get it. Finally she said, "Ball bearings." I said to the lady, "That is SKF." She said, "Yes." I said, "I am sure if the people in America working in the SKF plants were asked, they would not want our Government to admit Swedish ball bearings that would cut their wages during the high cost of living or destroy their employment." Then she rode over to the American Embassy with me, and she said, "I know you have ball bearings on your mind." But she said, "You are the first American that has been over here that seemed to know about it." We know Sweden expanded her bearing production many fold for Germany during the war. She now makes them for Russia under her 10-year trade treaty with that country.

That is what alarmed me, all over Europe, the fact that our State Department attachés do not go to bat for America. They can be giped at all over the country and they do not seem to react in the way of speaking up for America. You cannot tell what country they are working for. That was an alarming thing to me. They seem ready to plead America guilty before she is charged.

Down in France and Italy I say to you I agree with Dr. Heiser formerly of the United States Public Health Service, that these people are probably eating better today than they have in 30 years. Their hungry time is not here. It will come in March, April, and May. I would like to see some of this grain conserved. We talked to them about conserving some food. The agriculture official said, "You know, our people are like children. They say a great ship was in from America last week and there will be another one next week." So they eat, drink, and be merry. I am afraid possibly we will turn up with a shortage of wheat in the world, along about June or July.

Then, the same minister, when asked by Mr. ANDERSEN what steps had been taken to make use of potatoes to piece out, he said, "Potatoes are not so important in our diet." Well, they are 45 percent of the diet in Germany in peace time and they are very important here. I do not want our people led astray by emotionalism and by all this story that this is a great poorhouse. If it has the sense to live a proper existence, follow the example of Switzerland, they can have an economy just as good or better than ours. I am wondering how much they are afraid of Communism. To me, their fear seemed to be not of Communism but fear that the Russians might come over and take their pigeon. After all what kind of governments are we subsidizing and supporting over there. Communism, socialism, fascism, nazism, New Dealism, they are Marxist in theory, they vary only in degree in their practice. They all proceed toward the same end result, a loss of property, of liberty, ultimately of life itself. Let us rededicate ourselves to the Republic here at home. Let government of the people, by the people, for the people not perish from the earth.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. MAHON. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Chairman, I have requested this time to announce to the House that tomorrow is the forty-fourth anniversary of the first air flight made by the Wright brothers at Kitty Hawk, N. C. The Government has erected a beautiful monument on Kill Devil Isle to commemorate this event. In North Carolina what is known as the Wright Memorial Association was organized some years ago. Each year this association holds proper exercises commemorating this event. There was planned a small delegation of the Members of this House to go down tomorrow to attend these exercises. Due to the important business that has arisen, this trip has been called off. Each year these exercises are held, and I take pleasure in in-

viting such Members of the House as may be able to attend in the future to visit Kitty Hawk and visit the shrine of the Wrights, visit the shrine of this great event.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. TABER. Mr. Chairman, I ask that the bill be read.

The Clerk read down to and including page 1, line 6.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARNES of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, had come to no resolution thereon.

AMENDMENT OF NATIONAL HOUSING ACT

Mr. WOLCOTT submitted the following conference report and statement on the bill S. 1770, an act to amend the National Housing Act, as amended, for printing under the rule:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1770) to amend the National Housing Act, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,

Managers on the Part of the House.

CHAS. W. TOBEY,
DOUGLASS BUCK,
By C. W. Tobey,
HOMER E. CAPEHART,
By C. W. Tobey,
BURNET R. MAYBANK,
GLEN H. TAYLOR,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1770) to amend the National Housing Act, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Under the bill as it passed the Senate, the amount of authorized mortgage insurance under title VI of the National Housing Act was increased by \$750,000,000, with \$500,000,000 immediately available and not to exceed \$250,000,000 additional within the discretionary authority of the President. The House amendment makes \$250,000,000 immediately available, with discretionary authority in the President to increase the amount by not to exceed \$500,000,000. The Senate recedes.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,

Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. WIGGLESWORTH asked and was given permission to revise and extend the remarks he made in the Committee of the Whole today and to include certain tables.

Mr. HALLECK asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Washington Times-Herald.

Mr. BOYKIN (at the request of Mr. HAVENNER) was given permission to extend his remarks in two separate instances and in each to include extraneous matter.

Mr. MILLER of California asked and was given permission to extend his remarks in the Appendix of the RECORD in two separate instances and in each to include two articles.

Mr. SCHWABE of Missouri asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter from a constituent.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent that I may revise and extend the remarks I made in the Committee of the Whole this afternoon and insert certain tables from justifications which were presented and also that I may extend my remarks and insert a letter supplied by the Office of the Secretary of the Interior relative to our petroleum resources.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to have inserted in the RECORD as part of my remarks an address I gave at Arlington, Mass., regarding Good Neighbor Day and Pearl Harbor Day. It should have gone in earlier but the previous permission granted me has expired.

The SPEAKER. Is their objection to the request of the gentlewoman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix].

PERMISSION TO ADDRESS THE HOUSE

Mrs. ROGERS of Massachusetts. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentlewoman will state it.

Mrs. ROGERS of Massachusetts. What is the program for the remainder of the week?

The SPEAKER. The Chair is unable to answer that parliamentary inquiry. That is a matter within the jurisdiction of the leadership of the House.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

INQUIRY AS TO PROGRAM

Mrs. ROGERS of Massachusetts. Mr. Speaker, I rise to ask the Republican floor leader what the anticipated program will be for the rest of the week.

Mr. HALLECK. We will, of course, continue with consideration of the appropriation bill tomorrow. How long it will

DIGEST OF
CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

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HIGHLIGHTS: House passed appropriation bill including foreign aid, etc.; rejected amendments to reduce minimum wheat carryover and to increase REA funds. House committee reported resolution for investigation of Government buying and commodity speculation. House discussed commodity exchanges and whether list of speculators should be released. Senate debated Taft inflation-control bill, agreeing to committee amendments, and debating Barkley amendment to authorize allocation-priority powers. Sens. Taft, Barkley, and Ferguson discussed authority of S. Appropriations Committee to subpoena USDA lists of commodity speculators. Bills introduced: By Sen. Barkley, to authorize publication of commodity speculators; by Rep. Haverener, to authorize transmission of such list to Congress; by Rep. Smith (Va.) and Buchanan to authorize transmission of such list to Congressional committees; and by Sens. Flanders and McCarthy, to provide for voluntary food rationing. Senate received interim report from Joint Economic Committee making inflation-control recommendations.

HOUSE

1. THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948. Passed with amendments this bill, H. R. 4748. (pp. 11663-88).

Rejected the following amendments:

- By Rep. Fulton, Pa., to reduce the minimum wheat carryover from 150,000,000 bushels to 100,000,000 bushels (pp. 11667-9).
- By Rep. Javits, N. Y., to increase the foreign-aid item from \$509,000,000 to \$535,000,000 (p. 11669).
- By Rep. Rankin, Miss., (81-93) to appropriate \$200,000,000 additional for REA loans (pp. 11670-5). Later Rep. Rankin made a motion to recommit the bill with instructions for inclusion of a \$150,000,000 item for this purpose, but the motion was rejected, 55-167 (p. 11683).
- By Rep. Kersten, Wis., to increase the item for Government and relief in the occupied areas from \$230,000,000 to \$232,000,000 (p. 11675).

Agreed to amendments by Rep. Harless, Ariz., and Del. Bartlett, Alaska, to increase the Indian relief items by a total of \$376,000 (pp. 11676-82).

There was discussion of the Bureau of Reclamation items (pp. 11683-6). Several members discussed the extent to which Congress has reduced the Budget (pp. 11686-8). In a discussion with Rep. Rees, Kans., Rep. Taber, N. Y., stated that authority to ship tobacco was included in the \$50,000,000 limitation on losses from surplus-commodities shipments (pp. 11669-70).

2. COMMODITY EXCHANGES. The Rules Committee reported without amendment H. Res. 404, to create a select House committee to investigate "purchases and sales of commodities, including transactions in the purchase and sale of commodities for future delivery, and including (a) the activities of any department or agency ...in connection with the purchase and sale of commodities, and...any other activities of any such agency or department that may have heretofore affected, or may hereafter affect, the price of food and other commodities; and (b) the private acts and official activities of any individual in the United States Government in connection with the purchase or sale of commodities" (p.11662). Discussed by Rep. McCormack, Mass. (pp. 11688-9).
3. HOUSING. Agreed to the conference report to increase the amount available for FHA insurance (pp. 11662-3). The Senate also agreed to the report (p.11637). This bill will now be sent to the President.
4. PUBLIC WORKS. The Rules Committee reported without amendment H. Res. 403, to direct the Public Works Committee to investigate black markets which interfere with prosecution of public works (p. 11688).
5. COMMODITY EXCHANGES. Rep. MacKinnon, Minn., claimed the Commodity Exchange Act does not prohibit the Secretary of Agriculture from making public the names of speculators, and said "he is under legal and moral duty to submit all names" (p. 11689).
Rep. Hoffman, Mich., said, "I find in these investigations that every time we get near some individual, or close to some information that is worth while, the department tells you that you cannot have the needed facts because if it is disclosed, the disclosure will endanger the safety of the United States" (p. 11690).
Rep. Harris, Ark., said the President recommended regulation of speculation but that Congress has done nothing about it, and defended Secretary Anderson against criticisms regarding whether he should release a list of speculators (p. 11658).
Rep. Rees, Kans., said there should be a complete investigation of commodity speculation but that, meanwhile, Mr. Pauley should resign (p. 11658).
Rep. Hill, Colo., demanded Pauley's resignation (pp. 11656-7).
6. INFLATION CONTROL. Rep. McGarvey, Pa., criticized recommendations for control authority and spoke in support of the Wolcott bill (pp. 11653-4).
Rep. Buffett, Nebr., claimed that the price-control authority recommendations are making the meat shortage worse (p. 11653).
7. FUR SITUATION. Rep. Woodruff, Mich., recommended protection of the domestic fur farmers from foreign imports (pp. 11654-5).
8. FOOD CONSERVATION. Rep. Arends, Ill., claimed Mr. Luckman participated in a "feast" (pp. 11657-8).
9. RURAL ELECTRIFICATION. Rep. Rankin, Miss., discussed REA accomplishments and included a table comparing the 1934 and 1946 situations (pp. 11658-9).
10. FOREIGN AID. Rep. Keefe, Wis., inserted a table showing daily CCC wheat purchases and claimed that this shows "the relationship between those purchases and the price on the Chicago grain market." (pp. 11660-2.)
11. BUDGETING. Following are excerpts from S. Rept. 779, by the Senate Expenditures Committee (see Digest 163): "The clearest result of the study is to point out that potential expenditures far exceed amounts approved in appropriation bills...It therefore appears that each expenditure should be subject to annual review...the deluge of statistics and lack of uniformity in terminology

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of December 16, 1947.)

The SPEAKER. The gentleman from Michigan [Mr. Wolcott] is recognized for 1 hour.

Mr. WOLCOTT. Mr. Speaker, the Senate receded and accepted the House language. The House bill passed so overwhelmingly in this body that I do not believe any further explanation of the bill is necessary at this particular time.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. RICH. What protection is provided for the veterans? The contractors and the banks are being protected 100 percent by the Government. They get their money out of these projects. What protection has the veteran against being gouged by finding they have build-ings not worth the money they paid for them? What are we doing to protect the veterans? If you do not do something, then some future day you are going to have to bail out about half of the veterans who bought houses.

Mr. WOLCOTT. As I understand, the FHA makes two inspections of the house while it is under construction and a final inspection to determine whether it has met FHA standards. That is the assurance which everyone has who builds a house the mortgage on which is insured by FHA. The house must be built according to those standards in order to qualify for FHA insurance. The standards have been quite satisfactory. As a matter of fact, they have been accepted quite generally throughout the trade as very desirable standards. They have modernized the standards and brought them up to date, so that if a veteran buys a house and the mortgage is insured by FHA he has reasonable assurance that the house is a pretty good house and will last beyond the period of amortization.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948

Mr. TABER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4748, with Mr. HARNES of Indiana in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read the first paragraph of the bill. If there are no amendments, the Clerk will read.

The Clerk read as follows:

LEGISLATIVE

SENATE

Salaries, mileage, and expenses of Members

For additional mileage of the President of the Senate and of Senators, at the rate authorized by law, \$51,000.

HOUSE OF REPRESENTATIVES

For payment to Fannie H. Gifford, widow of Charles L. Gifford, late a Representative from the State of Massachusetts, \$12,500.

For payment to Nancy M. Springer, widow of Raymond S. Springer, late a Representative from the State of Indiana, \$12,500.

Salaries, mileage, and expenses of members

For additional mileage of Members of the House of Representatives, Delegates from Territories, and the Resident Commissioner from Puerto Rico, at the rate authorized by law, \$171,000.

Mr. WADSWORTH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 1, line 7, strike out the remainder of page 1 and strike out page 2, lines 8 to 12, inclusive.

Mr. WADSWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WADSWORTH. Mr. Chairman, is it in order for the Committee of the Whole to consider the two items affected by my amendment together as a single amendment?

The CHAIRMAN. No point of order having been raised against it, it is in order.

Mr. STEFAN. Mr. Chairman, will the gentleman explain the two items he is referring to? They are both the Senate and House items?

Mr. WADSWORTH. Yes.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. WADSWORTH. Mr. Chairman, I appreciate perfectly well that I am treading on delicate ground in offering this amendment. The amount involved in the two items, mileage for the Senate and for the House of Representatives, amounts to \$220,000 in round figures, a sum which, of course, I am willing to admit is very, very small compared with the other vast sums carried in this appropriation bill.

The thought has occurred to me, Mr. Chairman, that at this hour we are asking the people of the United States to make very considerable sacrifices. We know that numbers of them are now making those sacrifices due to the advance in the cost of living and other elements in our economic situation. It is more than probable that the sacrifices which our people will have to make will increase in the next year or two rather than decrease. In a situation like this which, in fact, pervades the world, sacrifice is demanded of millions of people, and especially the people of the United States, in order that liberty and freedom may prevail.

These two items which I have now moved to strike out appropriate mileage

which, under the precedent established, I will admit, the Members of the House and the Members of the Senate would be entitled to draw for attendance at this special session, a session which met on November 17 and will adjourn on December 19. In round figures we have been here a month, and within a couple of weeks thereafter we will come back for the regular session, and in the regular session, of course, we will be entitled to draw mileage as we drew mileage for our attendance at the first session of the Eightieth Congress which recessed in the last few days of July.

My suggestion is, in view of the shortness of this session and the imminence of the new session for which we will draw mileage, that the Congress of the United States indicate to the public that its Members, too, are willing to make a little sacrifice. I think that the psychological effect of it would be exceedingly healthy. After all, we are here doing our best to do our duty; I think the public realizes that, and thousands and thousands of other people are trying to do their duty. They will have to sacrifice. I think it would be proper and appropriate for the Congress upon this rather extraordinary occasion to indicate that its Members are willing to give up something of this sort. I think it will add to the prestige of the Congress and the respect which this great institution deserves to enjoy among the people of the United States.

Mr. O'TOOLE. Mr. Chairman, I rise in opposition to the amendment. The Members of this House when they were elected to serve in the Congress by the people of their respective districts were chosen because the electorate felt that they were men of ability and character.

They received from the electorate a mandate to be the representatives of the people in the law-making body of the land, and they were further empowered to set their own salaries and allowances. However, whenever a question arises in this House as to the proper salaries and emoluments there is always a certain amount of hypocritical breast-beating and orating from the floor. It is carried to such an extent that the people of the country lose respect for the House because many Members of the House do not respect themselves. We were sent here because we were just and courageous, and in being just and courageous we were supposed to apply those virtues to ourselves.

Every Member of this House knows that when the Congress closed last summer we left here with our families, and in some cases with our secretarial forces, under the assumption that Congress would not convene again until January. I do not believe anyone on this floor will deny that. The call that brought this House into session on November 17 was labeled a call for a special session of the Eightieth Congress. As such, the Members of this House are entitled to the usual mileage that is accorded for a session of the House. In my case it amounts to but \$93 and means nothing to me. But in the cases of hundreds of Members coming from the far West, the far South, the Northwest, and the Pacific coast, it

entails an expenditure of hundreds of dollars for themselves, families, and official families and should be recognized as just an expenditure as were the traveling expenses of the Members in Europe and Asia last summer.

This is a time when the membership of this House should stand up and be counted as to whether they are men or mice. Let us not be hypocrites.

Mr. KNUTSON. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am glad that the gentleman from New York offered the amendment. I shall support it. In my case it would amount to \$535. I merely mention that so that the gentleman from New York will know that I am making a bigger sacrifice than he is.

I do think that it is incumbent upon Congress to show to the country that its Members are really willing to carry their share of the burden and to make their share of sacrifices that are being demanded of the American people at this time. We are going through a critical period. The condition of the Treasury is anything but happy, and I sincerely hope that the gentleman's amendment will be adopted. I shall support the mileage resolution for the next Congress, because that is what has been done for years. But, to have two mileages in the course of 2 months is just a little bit too much, in my opinion.

Mr. GWYNNE of Iowa. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Iowa.

Mr. GWYNNE of Iowa. I agree with the gentleman 100 percent. As a matter of fact, this is not strictly speaking a special session.

Mr. KNUTSON. I hope the gentleman's amendment will pass.

Mr. GWYNNE of Iowa. I do, too.

Mr. KNUTSON. We call on others to make sacrifices. Now let us do our share.

Mr. PLOESER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am inclined to believe that despite the fact that there is an amendment on the desk to strike out that which to me seems to be honest and right and legal and customary and with precedent, despite the fact that such an amendment is on the desk, in the minds of every Member of this House there is unanimity of opinion and that opinion is against the amendment. The provision is a part of the United States Code for regular sessions of Congress. It is a matter of precedent that for special sessions they receive like provision.

This session was called not by any volunteer acts on the part of Members of Congress but by the President of the United States. Had he gone 3,000 miles across the country on the conduct of the Nation's business the Government of the United States would have paid his expenses and properly so. The people of the United States certainly do not admire people for not being frank, and I know of no citizen that does not believe that the Members of Congress are entitled to the expenses of the conduct of their office which are directly chargeable

to their obligation and their duties as Members of Congress.

I find it very difficult, even in this most charitable season, to find admiration for being less than frank or less than totally honest with the people whom we represent. In the 1939 special session of the Congress, and there are other precedents although I cite only the one which I read just a few minutes ago, such allowances were made. Most people know and certainly all Members of the Congress know that you not only have your own expense returning for a special session and getting back to your home but you have the expense of your families. Many of you that I am acquainted with have had the expense of additional rentals here in Washington. This, I merely mention. You had given up your abodes and had not planned to have a new one until January. You pay the expense of moving your secretaries back and forth. The customary mileage is not adequate, but inadequate as it is, it is honest and in accordance with the law that it be allowed. I say again that I cannot bring myself even in this season to be charitable enough to find admiration for an expression of opinion which is contrary.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to my distinguished leader the gentleman from Indiana.

Mr. HALLECK. I do not like to take up the time of the Members unduly but I should like to say that before this item was put in this appropriation bill I talked with a great many Members on both sides of the aisle regarding what they thought ought to be done about it. As they talked to me, I became convinced that the overwhelming majority thought that this item should be in the bill and that it was entirely justifiable and entirely defensible. I am glad it is in the bill in such way that no one can say there is any subterfuge in connection with it—it is brought here in the regular and open way. I think the gentleman from New York [Mr. O'TOOLE] said it quite well when he stated that when we quit here last summer, we went to our homes in our districts as we should, to talk to our people to see what they are thinking about.

This special session was called by the President of the United States to meet an emergency which he said required immediate consideration. Now I do not care how long the session lasts—that is not the point. The fact of the matter is that each of the Members who went home was required by reason of the calling of this special session to come to the city of Washington to transact the business to be taken care of in the special session. As has been pointed out, it is generally understood and agreed on both sides of the aisle that we will conclude our work here on next Friday, the 19th. The Members will be going home, I take it, almost without exception. Then, of course, we will be coming back for the January session. So it seems to me there is no reason why this item should not be in the bill. So far as I am concerned I am perfectly willing to

have my people know my attitude about it.

As a matter of fact, when we are here in session I want to point out that many times we are required to go home to take care of matters of official or semi-official business in our districts and to do all sorts of things that flow from our responsibility as Members of the House. When the Congress is in recess, it frequently has happened to me, as no doubt it happens to other Members, that we are required to come back to Washington in connection with our official business. I might point out that during this past recess I was called to the White House twice for conferences. Of course, there is no provision to take care of the expense of those trips. Of course, I am not complaining about having to come back to Washington. But I do know that Members are constantly required to travel back and forth between Washington and their districts.

I am also convinced that many times when we look over the expenses of other departments and agencies of the Government, and look at the things that we do for ourselves certainly no one can condemn us. We must recognize also, as the gentleman has pointed out, that for many of us, it is not just a matter of transporting ourselves personally from our homes to Washington and back. Many of us have families. I have a wife and two youngsters who are with me when I make these trips, and the mileage allowance granted to me is very quickly used up. I think the people ought to understand that.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PLOESER. I yield to the gentleman from Ohio [Mr. Brown].

Mr. BROWN of Ohio. Mr. Chairman, I receive a mileage allowance of \$204 a year for my travel expenses in attending to my work as a Member of Congress, which covers just about one-third of my actual expenses for travel to and from home and elsewhere on official business. However, I am reminded that every employee of the Government, including every civil service employee, except those in the legislative branch of the Government, not only have their mileage paid, when they change jobs or have new assignments of duties, but also have their household goods moved and all other travel expenses paid, not only for themselves but for their families as well. The same situation is true as to the personnel of the armed forces. Whenever a new assignment is given, the expense of travel for the officer and his family, and the shipping costs for his household goods as well, are paid by the Government.

Therefore, I feel that under circumstances like this, when there is a special session of Congress, when some Members have been compelled to spend a thousand or more dollars out of their own pocket

to come back to Washington on official business, it is only fair that they be compensated according to the precedents and rules of the House, and I believe the Constitution of the United States as well, for the Constitution says the legislative branch shall fix the compensation of its Members and mileage allowances.

So I think the amendment is not in good form. Frankly, I am getting a little tired of having a few people object to the Congress doing anything for itself, but insist that we should do everything for everyone else in the world. It is only simple justice that the Members of the House be recompensed for the travel expenses they have incurred in attending this special session of Congress.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Texas.

Mr. RAYBURN. In response to the statement of the gentleman from New York [Mr. WADSWORTH] about this being such a short session, it seems to me that it costs just as much to come here and return home for a short session as it does for a long one.

Mr. PLOESER. And sometimes more.

Mr. HENDRICKS. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Florida.

Mr. HENDRICKS. The only objection I have heard to this is the fact that we are technically still in session, but when I went to buy my ticket to come back here the railroad did not recognize that argument at all. I would like to ask the gentleman from Missouri if this House has ever denied itself traveling expenses before, for a special session called by the President of the United States.

Mr. PLOESER. Not that I can find in the RECORD. The precedents are in support of the bill as it is written.

Mr. ROBSION. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Kentucky.

Mr. ROBSION. I have attended many special sessions of the Congress, called by the President, and through the years, I know of no case in which this mileage was not allowed.

Some years ago in this House we had a wealthy Member from one of the States serving in the House. He was worth \$20,000,000. At every session of Congress and at every opportunity he offered some amendment or some bill to cut out clerk hire, cut out mileage, and the frank. If his amendments had prevailed, only rich men could serve in Congress. Not all Members of this House are rich or well to do. In fact, most of them are poor or are in very moderate circumstances. We came to this special session on the call of the President. I must go back to my district on the 22d of December on special official business, and then later return again, so I cannot see the gentleman's point in raising this question. The Appropriations Committee in reporting this item is strictly within the law and it is just and right. If we would be as careful about giving tens of billions of dollars to

foreign countries as we are in opposing this small legal and just claim, it would give real relief to the country.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. PLOESER] has again expired.

Mr. JARMAN. Mr. Chairman, I rise in support of the amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. JARMAN. Mr. Chairman, first I wish to commend the gentleman from New York [Mr. WADSWORTH] for the introduction of this amendment, and to say there is no Member of this House on either side for whom I have a higher regard than I do for the gentleman from New York.

I am impressed that the whole point has been missed by the speeches I have heard, whether intentionally so or not. I do not know. It is true that in a way this is a special session. I am not a lawyer and I am not sure what the law is, but I do recall that the leadership of this House, at least on one side of the House, recessed last year rather than adjourn, in order to have a string on the President. I understood thoroughly then and I believe every Member of this House similarly understood, that under those circumstances if we came back here we would not be entitled to mileage. Consequently I have never thought of receiving it and entirely disagree with the Members who have said that we are fairly entitled to it, that it is customary and that it is legal, although I am not sure about the legal point, because of the fact, as I said, that we recessed instead of adjourned with full knowledge on the part of the leadership and everyone else that under those circumstances we were not entitled to mileage. Consequently, never having for a moment thought of collecting it until several people approached me about it, to each one of whom I replied positively that I did not think we would get it, I was surprised; yes, my colleagues, I was dumfounded when the Appropriations Committee, the committee which saves so much money, ostensibly, the committee which insists on indulging in what I regard sometimes as ridiculous cuts in other appropriations—I was dumfounded, my colleagues, when those gentlemen of all the gentleman of this House brought this bill in here against what I regard as all rhyme or reason.

The majority leader or somebody said we would have to go back home, that it would cost money. Yes. Did we not pass a law within the last year or two providing \$2,500 for each of us for our expenses? I wonder if it would not be more appropriate to pay this mileage out of that \$2,500 and, in the words of the distinguished gentleman from New York, be willing to pinch our belts a little while we are calling on everyone else and the rest of the world to do it.

The Committee on Foreign Affairs was seriously criticized on this floor less than a week ago by a member of the Appropriations Committee for not having held

hearings on the fertilizer supply, which was the duty of the Committee on Agriculture; yet this committee, which in its wisdom criticizes everyone else, reduces the appropriations authorized by all the other committees in their wisdom; this committee, of all committees, comes to this floor with what I regard—while I would not say an unconscionable piece of legislation—legislation which I believe to be entirely out of order.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. JARMAN. I yield to the chairman of the Appropriations Committee.

Mr. TABER. I do not wish recognition.

Mr. JARMAN. Then I yield to the gentleman from North Carolina.

Mr. BONNER. I will ask the gentleman if he has any idea of the total cost to the individual Member of travel made in Europe this year? And then give me his opinion whether or not that was more important than coming to this session of Congress?

Mr. JARMAN. I cannot answer the gentleman, who is a former member of the Committee on Accounts, I believe, and long-time secretary of the chairman of that committee, and who has had much more experience on such matters during many years than I. I cannot answer him as to the cost, but—

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

Mr. MONRONEY. Mr. Chairman, reserving the right to object, will not the gentleman extend it about 3 minutes to give those of us who are opposed to payment of mileage a chance to be heard?

Mr. TABER. I think we should get on with the business of the House.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. WADSWORTH].

The question was taken; and on a division (demanded by Mr. WADSWORTH) there were—ayes 27, noes 143.

So the amendment was rejected.

Mr. TABER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I propound this parliamentary inquiry so that the membership may understand at just what point amendments may be in order. I therefore ask the Chairman to advise us at what point the paragraph to follow will end?

The CHAIRMAN. Answering the gentleman's parliamentary inquiry, the Chair may say that the end of the paragraph will be line 5, page 4.

Mr. TABER. And at that time amendments may be offered?

The CHAIRMAN. The gentleman is correct.

The Clerk read as follows:

FUNDS APPROPRIATED TO THE PRESIDENT
EUROPEAN INTERIM AID

European interim aid: To enable the President to carry out the provisions of the act entitled the "Foreign Aid Act of 1947" (S. 1774, 80th Cong.) insofar as applicable to Austria, France, and Italy, \$509,000,000: *Provided*, That any administrative expenses which may be incurred by the Department of State in carrying out duties assigned to it under said act may be paid from any funds available to said Department for administrative expenses, except that funds herein appropriated shall not be available for such purpose: *Provided further*, That none of the funds appropriated or made available by this act shall be used or made available for use for the acquisition of nitrates or nitrogenous fertilizer, or petroleum products, or wheat, wheat flour, or cereal grain in the United States or the shipment thereof from the United States unless the President shall first—

(1) survey the requirements of other countries which are dependent upon the United States for a portion of their supplies of such commodities, and

(2) estimate the quantities of such commodities which probably will be made available to such countries from the United States, and

(3) estimate the total amount of such commodities available for export from the United States to the recipient countries, after giving due consideration to the quantity thereof required in this country to meet essential domestic needs and for wastage, food, feed, seed, and industrial uses, and for the needs of other countries dependent upon the United States for supplies of such commodities. In determining the amount of such commodities available for export from the United States the President shall allow for a carry-over of wheat in the United States as of July 1, 1948, of not less than 150,000,000 bushels, and: *Provided further*, That the funds appropriated in this act shall not be made available or used to acquire a quantity of wheat, wheat flour, and cereal grain in the United States which, after taking into consideration the amount estimated for export to other countries, and the amount needed for domestic consumption in the United States, will leave a carry-over of less than 150,000,000 bushels of wheat on July 1, 1948.

Mr. WELCH. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. WELCH. Mr. Chairman, there are about 280 Indian reservations under the jurisdiction of the Bureau of Indian Affairs. Distress has been known to exist among the tribes of Indians, particularly in the West, for some time in the past. The alarming degree, however, of the distress among the Navajo and Hopi Indians which cries out for immediate relief was made fully known by the Subcommittee on Indian Affairs after a recent visit to the reservation and careful study which revealed the deplorable condition, as set forth in its report to the chairman of the Committee on Public Lands.

The Navajo Indian Reservation is as large as the State of West Virginia, and consists in the main of some of the very poorest land in the West. In the treaty of 1868 between the United States Government and the Navajo Indians, according to United States Army estimates there were 9,000 Navajo Indians on the

reservation. Today there is an estimated Indian population of approximately 65,000. There are 11,000 Indian families on the reservation. The population is increasing at the rate of 1,200 a year. It is estimated that the average family income is approximately \$400 a year. The estimated infant mortality rate is 318 per 1,000, or more than seven times greater than the United States in general. More than half the Navajos die before they are 5 years old. For the estimated 65,000 Navajos there are no field doctors or nurses; only one school nurse and one full-time dentist. There are 16 times more tuberculosis cases on the reservation than the national average.

There are 24,000 children of school age on the Navajo Reservation and not over 8,000 have had any schooling; the average schooling of the 8,000 is approximately 3 years. Thus it will be seen that 16,000 children are being denied school facilities.

It has been stated that the reservation is overstaffed with 1,000 civilian employees. In fairness, this number of civilian employees should include school teachers as well as many Navajos employed doing manual labor on the reservation.

I am informed that the Bureau of the Budget recommended to the Appropriations Committee that \$450,000 be included in the deficiency appropriation bill to be used solely for immediate relief of Navajo and Hopi Indians. The bill provides \$200,000, which under the language of the section can be used on any of the approximately 280 Indian reservations under the jurisdiction of the Bureau of Indian Affairs.

The \$200,000 provided for in the bill should be increased and expended solely for the relief of the Navajo and Hopi tribes of Indians.

With immediate consideration at the next regular session of Congress of an appropriation of \$2,000,000, authorized under H. R. 4627, an act for the immediate relief of the Navajo and Hopi tribes of Indians, the deplorable condition of these tribes can be tided over until the enactment of legislation improving the condition of American Indians on Government reservations and assist in making them self-supporting.

Mr. CANNON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, by way of summary, the House Appropriations Committee reduced the proposed amount of interim aid for France by \$66,000,000 and for Italy by \$22,000,000.

Included in the items on which the committee based its cut in the appropriation are the following:

FRANCE	
Dollar interest and amortization payable on Jan. 1, 1948, as follows:	
First Export-Import Bank loan of \$550,000,000:	
Principal payment due.....	\$9,200,000
Interest due.....	6,300,000
Total.....	15,500,000
Second Export-Import Bank loan of \$650,000,000:	
Interest due.....	7,500,000
Total due the United States Export-Import Bank	23,000,000

Interest and charges on International Bank loan of \$250,000,000	\$3,100,000
Total.....	26,100,000

ITALY	
Partial repayment of Export-Import Bank:	
1947 cotton loan.....	7,000,000
Interest on United States surplus property credit....	4,000,000
Payment to United States for settlement of war claims of United States nationals	5,000,000
Total	16,000,000
Grand total.....	42,100,000

In calculating the needs for interim aid it had been assumed by the State Department that the French and Italians would have to use their own resources for meeting these charges. It is understood that the Appropriations Committee assumed that these obligations would not have to be met and the funds could therefore be used by the French and Italians to procure current imports. Any such assumption involves action by the French and Italians unilaterally to default on their obligations to our own Export-Import Bank, other United States credit agencies, United States citizens, and the International Bank.

Action in disallowing the payments due for the Export-Import Bank loans and the surplus property credit amounts, in effect, to notice that France and Italy—and presumably other countries which are hard pressed—need not meet their obligations to us. In view of the billions of dollars of loans and credits which we have outstanding it would seem very unwise to set a precedent which condones default in such payments. Furthermore, failure to make the payments due results in a direct loss to the United States Government.

In the case of the \$3,000,000 which France owes for interest and other charges to the International Bank, a default would have serious consequences. In the first place it would damage French credit with the bank and might well make it impossible for her to obtain further loans which she needs to procure essential imports. We have been counting heavily on the International Bank to supplement any efforts which the United States may make in aiding foreign countries. Furthermore, default on the part of one of the bank's principal borrowers might well affect the ability of the bank to obtain the private capital which it requires if it is to be successful in its program.

The payment to the United States in the amount of \$5,000,000 for settlement of war claims of United States nationals is an obligation arising from an agreement made between Italy and the United States in December 1946. These claims arise on account of damage suffered by our citizens as a result of Italian action during the war. It would seem most unwise for us, in effect, to advise the Italians that they now need not make these payments.

The other items which were eliminated by the committee involve expenses

which the French and Italians must pay if they are to maintain necessary services and avoid defaults which would affect their ability to obtain future credits. They do not, however, result immediately in financial benefits to the United States or our citizens, as do those listed above.

As to whether there would be sufficient wheat left in this country after shipments abroad authorized by the legislative bill and the departmental estimates, we were told emphatically and unequivocally by the Secretary of Agriculture that there are now ample reserves to supply all domestic needs after the full amount of wheat contemplated in the relief program has been shipped to Europe. There is a vast amount of testimony in the hearings elicited by the committee in an effort to impeach testimony from different sources on amounts of shipments, and corresponding pages in the report on the subject, which in no way affect the question before us. The whole matter may be summed up in the testimony of the Secretary of Agriculture, who in response to a question from the committee said that even in the event of an extreme drought next year and resulting failures in the wheat crop which might be incurred by such a catastrophe, there would still be enough left at home to take care of all domestic requirements after this contribution was made to Europe. Likewise, inquiry as to the amount of oil available elicited the information—and no one has controverted it—that there is no shortage of oil. As a matter of fact the entire amount of oil provided in the estimates would aggregate only a third to a half of one day's consumption in the United States. The only stringency that has been experienced in some sections of the country is due to lack of transportation.

We had the opportunity in the last session to continue the activities of the Office of Defense Transportation under Colonel Johnson, perhaps the most efficient branch of the domestic defense organization which operated in the United States during the entire war. Unfortunately, we cut down that appropriation, and in fact tried to eliminate it, because some of the railroads did not like it. They did not like the restrictions placed upon them by the Office of Defense Transportation imposed in order to increase the efficiency of the railroads and the number and capacity of cars available at a time when there was a shortage of boxcars and particular a deficit of tank cars. The only difficulty which would today involve a shortage in oil in any part of the country is due, not to lack of supply, because the supply is ample, but to the lack of tank cars and facilities for transporting the oil to the areas where there are temporary shortages.

On the whole, Mr. Chairman, there need be no concern at all, in view of the hearings a copy of which I hold in my hand, which were contacted by the Committee on Appropriations. There need be no fear that when the full amount of supplies provided for in the original departmental estimate is sent

abroad to sustain life and maintain free government in western Europe, there will be even the slightest deficit of these commodities in our own country.

In brief, Mr. Chairman, the full amount requested by the Departmental estimate, and authorized by the Congress last week, should be provided in this bill. To reduce the amount allocated for any item will not only fail adequately to meet the need but will react unfavorably on the national defense program.

Mr. MAHON. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, on page 2 of the committee report on this bill, reference is made by the committee to a supposed discrepancy in figures furnished by the Secretary of Agriculture, Mr. Anderson. It has been my observation that as a general rule the Department of Agriculture and the Secretary of Agriculture can be relied upon to give the most accurate figures available to Members of Congress and the public. The publication, the Agricultural Outlook, which is put out by the Department of Agriculture, carried one figure with respect to the disposition of our wheat supplies since July 1, 1947, and the Secretary, in his testimony before the House and Senate committees, it is claimed, gave a different figure, which was an increase in availability of wheat over the figures in the Outlook to the extent of 82,500,000 bushels. I merely wish to point out that I find in checking the matter that the figures compiled for the publication, Agricultural Outlook Charts, had to be prepared somewhat in advance of its printing, and that the figures given by the Secretary of Agriculture were the very latest revised figures. All the figures given were mere estimates of the possible distribution of our grain since July 1, 1947, to date.

In the publication entitled "Agricultural Outlook Charts, 1948", the following estimates of the disposition of wheat in the United States for the year beginning July 1, 1947, were made:

	Bushels
Food.....	510,000,000
Feed.....	325,000,000
Seed.....	87,500,000
Industrial uses.....	5,000,000
Total	927,500,000

The Secretary of Agriculture in his statement on December 6 gave the following estimates:

	Bushels
Food.....	510,000,000
Feed.....	250,000,000
Seed.....	85,000,000
Total.....	845,000,000

There is no mystery about the alteration in the estimates made by the Secretary of Agriculture on December 6. You will note that in the earlier estimate it was thought that 325,000,000 bushels of wheat would be used for feed for livestock. In the December 6 estimate the Secretary had revised the amount to a greatly reduced figure of 250,000,000 bushels. This is the principal variation, and is explained in the following statement by Mr. O. V. Wells, Director of the

Bureau of Agricultural Economics, as follows:

The chief revision is in the estimated amount of wheat which will be fed to livestock. Originally, this estimate ran 325,000,000 bushels at a time when there was considerable fear that we would have an early frost and a soft corn crop and at a time when prices of wheat and corn per bushel were at about the same level. Within the last two months or so, however, the price of wheat has moved above the price of corn, good growing conditions have yielded a corn crop of good quality, and we now have available actual estimates of the disappearance of wheat for feed or farm waste during the first quarter of the year beginning July 1, 1947, which indicate that about 60,000,000 bushels of wheat was fed to livestock. As a result, our estimates of the amount of wheat used for feed have been revised down to 250,000,000 bushels for the current year, and there is some belief that it may run even lower than this.

The other slight variations in estimates are well explained by Mr. Wells but I see no necessity for elaborating with regard to them.

(Mr. MAHON asked and was given permission to revise and extend his remarks.)

Mr. FULTON. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FULTON: On page 4, line 4, strike out "150,000,000" and insert "100,000,000."

Mr. FULTON. Mr. Chairman, may I compliment the Committee on Appropriations for putting in a limitation on page 4, line 9 of \$50,000,000 on losses that may be incurred by Government agencies in this program, through the sale of commodities that are in surplus. That is the recognition one of the points that I made here on the floor of the House previously, that there was no limitation on losses. Obviously some fair limitation should be set for the protection of the taxpayers.

Before going into this particular amendment, may I ask the gentleman from New York [Mr. TABER] a question as to the protection of Austria, and of the Children's Fund in Public Law 84. I notice that according to one set of committee figures, you have a grand total for Austria of \$56,900,000. May I point out something that has happened in the Committee on Foreign Affairs? There were five of us who found out that the State Department was taking \$16,000,000 of unprogrammed funds from the Children's Fund under Public Law 84 for use for current relief for Austria. Has that amount been figured in and added to this appropriation? Were you looking at Austria's total requirements and are you giving her all she requires here, if the State Department under the Comptroller General's ruling cannot use money for Austria from the Children's Fund?

Mr. TABER. Let me give the gentleman that figure. The amount allowed here and for which justification was presented to the committee is fifty-six million and nine hundred and some-odd thousand dollars, or \$16,000,000 above what the President asked for in his original message. We did not make any sug-

gestion that that be reduced. The gathering in of funds for Austria came out of the \$332,000,000 appropriation under Public Law 84. This was to take the place of that item according to the representations that I understood to be made to the House.

Mr. FULTON. That is fine. I agree with the chairman that if Austria is taken care of in this appropriation, there will be no need of the State Department going into the children's fund money in order to make up a part of the Austrian program.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. MANSFIELD. Am I right in stating that the sum allocated to Austria by the Appropriations Committee amounts to approximately \$59,000,000? I think this is very important because of the statement brought out by the gentleman from Pennsylvania [Mr. Fulton] and also because of the fact that the American occupation authorities in Austria have a very difficult and, up to now, a very little-understood job to do.

Mr. TABER. Well, it is \$58,000,000.

Mr. FULTON. Fifty-six million nine hundred thousand dollars is one figure contemplated.

Mr. CASE of South Dakota. Fifty-eight million dollars is the amount allowed for Austria, which covered \$42,000,000 mentioned in the President's message, and \$16,000,000 to make up for the money which was for the children's emergency fund. We made the full request for Austria.

Mr. FULTON. So that it is clearly taken care of, and there is no need for the State Department at any time going into the children's fund, because it is specifically taken care of here?

Mr. CASE of South Dakota. Yes. The report is clear on it. There is no suggestion that a cut was made in the \$58,000,000 for Austria.

Mr. MANSFIELD. I thank the gentleman for his explanation. I am glad to note the full \$58,000,000 is being allowed to Austria.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield to my good friend from Michigan.

Mr. DONDERO. I want to join the gentleman in saying a word of commendation for the Committee on Appropriations, which eliminated \$88,000,000 from this bill, which contained mostly loans to other governments. The people back home believe this bill is entirely to provide food for the starving people of Europe and not to pay the debts of other governments. I want to join the gentleman in commending the Committee on Appropriations.

Mr. FULTON. The Foreign Affairs Committee also made much the same reduction. Will the gentleman add that to his commendation?

Mr. DONDERO. I include that also.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. MAHON. I would like to point out to the gentleman from Michigan [Mr.

DONDERO] that of the \$88,000,000 eliminated, \$39,000,000 was payable to the United States and not to other governments. The Export-Import Bank of the United States has outstanding loans to France in the sum of \$1,200,000,000. France will owe us on principal and interest on these loans on January 1, 1948, the sum of \$23,000,000. If this appropriation had not been cut, France would have been able to pay the principal and interest due and not default on her loan to the United States. There are some of us who are wondering whether it was a good idea to encourage by this pseudo saving the default on a loan payable to us in the full amount of over a billion dollars. In order to make a paper saving of \$23,000,000, we are encouraging default on the \$1,200,000,000 obligation which is in my judgment very bad business indeed.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. Fulton] has expired.

Mr. FULTON. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes to present my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FULTON. May I speak now on my amendment. On page 4, line 4, I am cutting the figure 150,000,000 bushels of wheat carry-over that is to be estimated as of July 1, 1948, to 100,000,000.

The reason I am doing that is this: That our wheat carry-over for this last year was less than 87,000,000 or 88,000,000 bushels. It started out originally with the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] wanting 200,000,000 bushels carry-over. The figure was then reduced by amendment to 150,000,000 and my amendment would reduce it to 100,000,000, which still gives you 12,000,000, or 13,000,000 more bushels carry-over than we had last year. That is the basic limit that the program should be set on. If we have gotten along all right last year on 87,000,000 bushels, we certainly can get along this year with 100,000,000 bushels limit. I do not want to hurt the program but I do not want to waste any surplus carry-over.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. REES. Does the gentleman have any figures as to what the average carry-over was during the last 10 years?

Mr. FULTON. The average carry-over has not been 150,000,000. I did have those figures placed in the RECORD a week ago, so that the gentleman can see from my speech what the carry-over is. As a matter of fact, it is much above anything that happened either in the late twenties or early thirties.

This carry-over that I am speaking of is 100,000,000 bushels. If you could be sure of a hundred-million-bushel carry-over for safety in this country which would be sufficient to carry us over a period of 90 days, I am sure you would not want this program to fall down.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. FULTON. I yield.

Mr. AUGUST H. ANDRESEN. Can the gentleman give us some idea of what the crop of wheat will be in 1948?

Mr. FULTON. I believe the gentleman has all those figures. They are also detailed in a speech I gave this last week. We are talking of what the carry-over, what the surplus is. With a surplus of 100,000,000 bushels you have a good margin of safety until the next year's crop comes in. I would not want to hurt this program or have people starving while we have an excessive carry-over in addition to an all-time high of domestic consumption.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is strange that people from city districts who are entirely dependent on the country areas for their bread offer amendments like the one proposed by the gentleman from Pennsylvania. We in the country sections can get along somehow, but unless we have a large wheat crop in 1948 the people living in the cities of Pennsylvania, New York, and elsewhere will have little bread.

The carry-over for last year was 83,000,000 bushels. That was the smallest carry-over we have had in the last 20 years. The average carry-over from 1919 to 1947 was 224,000,000 bushels of wheat. The carry-over in 1945 was 279,000,000 bushels; in 1944 it was 317,000,000 bushels; and in 1943 it was 119,000,000 bushels.

Let us have some margin of safety for the American people until we know what the next wheat crop will be in the United States. We had better keep a couple of months' supply of wheat on hand in order to feed the people in the cities and villages of the United States who are so dependent upon bread for their livelihood.

Nobody can predict today what the wheat crop will be in 1948. There has been insufficient moisture in the Southwest, the principal winter-wheat area of this country. Spring wheat will not be planted until April, May, and June of next year, and nobody can predict what that crop will be.

We shall need around 900,000,000 bushels of wheat to take care of the needs of the American people. If we export all of the wheat now requested, there will be little wheat left for the American people. This 150,000,000 bushels of wheat that the committee has provided as a carry-over into next year's crop is enough to last the American people for a little more than 2 months. If next year's winter wheat crop should fail then we would have only 2 months' supply of wheat to take care of the needs of the people of this country.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CASE of South Dakota. In the testimony given by Secretary Anderson, as reported in the hearings, page 20, this colloquy occurred:

The CHAIRMAN. What was the carry-over?
Secretary ANDERSON. Eighty-three million, plus.

The CHAIRMAN. That is a very low figure, is it not?

Secretary ANDERSON. Yes.

The CHAIRMAN. The lowest that we have had in a long time?

Secretary ANDERSON. The lowest in 20 years, except for 1937.

And in his preliminary statement the Secretary indicated that we should work toward a carry-over of about 250,000,000 bushels.

Mr. AUGUST H. ANDRESEN. And I will say in addition that we were very fortunate to have a good crop of wheat this year, a bumper crop of wheat; otherwise, we would have gone without bread in this country and we would not have been able to take care of the needs of the people in the other countries of the world.

Mr. PACE Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. PACE. On the basis of a total domestic need of 900,000,000 bushels, 100,000,000 bushels would be just a little better than a 30-day supply.

Mr. AUGUST H. ANDRESEN. The gentleman is right. I figure it will take between 70 and 75,000,000 bushels a month to take care of all of the needs of the American people. We should have a carry-over of at least 200,000,000 bushels to play safe.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the Chairman.

Mr. TABER. It would be absolutely dangerous to cut this reserve below 150,000,000 bushels, would it not?

Mr. AUGUST H. ANDRESEN. It would; and personally I feel that to play safe it should be 20,000,000 bushels, so that we would have some degree of safety; but I am satisfied to leave it at 150,000,000 bushels, and I hope the Committee will defeat the amendment.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Does not the gentleman feel that if grain is not used for say 10 months for the manufacture of alcoholic beverages it may provide the reserve he is talking about?

Mr. AUGUST H. ANDRESEN. Very little wheat goes into the manufacture of alcohol. I may say to the gentleman that other grains like barley and corn go into the manufacture of alcohol. Last year only 5,000,000 bushels of wheat were used for all industrial purposes, including alcohol.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Kansas.

Mr. REES. But the more grain you take out, the more grain you use for alcohol, the less you have for food, whether the grain is barley, rye, or whatever it is.

Mr. AUGUST H. ANDRESEN. That is true. I may say to the gentleman that

I believe an amendment was offered that none of this grain that is to be shipped across shall be used for making alcoholic beverages.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The question is on the amendment offered by the gentleman from Pennsylvania [Mr. FULTON].

The amendment was rejected.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: Page 2, line 18, strike out the sum "\$509,000,000" and insert "\$535,000,000."

Mr. JAVITS. Mr. Chairman, what I have done in offering this amendment to increase the amount from \$509,000,000 to \$535,000,000, is to include \$26,000,000 additional. If the Members will look at page 4 of the committee report they will find the schedule of deductions made by the Appropriations Committee. My amendment restores three of those deductions, as follows: Additional contribution to the International Monetary Fund by France, \$10,000,000; administrative and other expenditures by France, which I would like to explain in a minute, \$10,000,000, totaling \$20,000,000 for France; and then for Italy, diplomatic expenditures, prewar bond settlement, interest settlement, interest payments, and miscellaneous financial items, \$6,000,000.

I have offered this amendment to restore those items. One of the things the United States must be sure of is that the world understands, and particularly that Italy and France understand, that our aid will not affect or impair the sovereignty of their peoples and their governments. These three expenditures provide for the diplomatic establishments of France and Italy abroad. They also provide for France's payment of her obligation to the International Monetary Fund, and it is from that agency, I may add, that we expect France in any general European recovery program, to get great benefits. For a country which is not a member of the International Monetary Fund cannot expect to get benefits for the stabilization of its own currency from the International Monetary Fund.

The charge the Soviets have made against us has been that by our activities in foreign aid we are trying to deprive peoples and governments of their sovereignty, that we are trying to make them subject to ourselves, that we are trying to make them United States satellites, as we have charged that the Soviets have made satellites of the eastern European countries.

I have introduced this amendment in order to crystallize the point, and to try to emphasize that that is exactly contrary to what, I believe, the United States wants to do. The United States, in my view, wants to keep each of these countries a fully integrated Nation, with a national sovereignty, each of them standing in the capitals of the world on a parity of dignity with every other nation, including the United States. I may point out that when we use the term "Big Five," when we use the term "Big Three," we also include France.

In this appropriation bill we are cutting out \$10,000,000 which represents the cost of France's diplomatic establishment, the basis upon which she maintains her international position in the world. I have asked the chairman of the Appropriations Committee about this point and I should appreciate it very much if the chairman of the committee will give us his view on this matter.

Mr. TABER. Well now, my opinion is this, that they can find the money somewhere else to take care of their diplomatic institutions and their entertainment. If they are going to make a contribution to the monetary fund, they ought to be able to get it somewhere else. If they cannot make that contribution at this time, they can make it later. I was impressed, as I went around Europe, that all of these set-ups had diplomatic establishments and operated on a larger scale than the United States, and that they could well get to figuring on balancing their budgets and by getting things done within those budgets, because I have always thought that our State Department operated on a most liberal enough scale.

Mr. JAVITS. Will the gentleman join me in the view that we certainly want to keep the sovereignty of these countries completely intact?

Mr. TABER. Oh, yes; I would. There is no question about that. I want them to run along and be represented at different places and have their sovereignty intact, and I believe that they can do it and find a way to do it.

Mr. JAVITS. May I ask just one other question of the chairman? Has the Committee on Appropriations found any other source from which they could get this money?

Mr. TABER. No; but I believe they can find some.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Nebraska.

Mr. STEFAN. Does the gentleman feel that we should underwrite the expense of any foreign government for diplomatic activities in any dollar country?

Mr. JAVITS. I certainly do not, and that is not the question here. The question is whether we should prevent any recipient country from being able to maintain its diplomatic establishments because it has to use that money with which to buy food which is not being supplied under this program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. REES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to ask the chairman of the Committee on Appropriations two or three questions. On page 4, line 9, is an item of \$50,000,000 appropriated under this bill. Now, do I understand that \$50,000,000 represents a loss our Government takes in the handing over of goods now held by the Commodity Credit Corporation to be used in this foreign-aid program?

Mr. TABER. That is a limitation on the amount of losses that may result.

Mr. REES. In other words, as I understand, we have something like \$100,000,000 invested in tobacco, as an example. Now, if they turn that \$100,000,000 worth of tobacco over to these countries for incentive purposes, as was suggested by the House Committee on Foreign Affairs, we will just charge of \$50,000,000 and let them have the whole \$100,000,000 worth of commodities; is that right?

Mr. TABER. That is it.

Mr. REES. So, as a matter of fact, this country just has to consider a loss of \$50,000,000, and we may turn over as much as \$100,000,000 or \$200,000,000 worth of these commodities; is that right?

Mr. TABER. That is right.

Mr. REES. The thing that prompts me to make this inquiry and observation is that under one of the provisions to the authorization bill that was approved a few days ago, which I questioned, those administering the act are authorized to purchase incentives not including actual needs but things to be given people in order to get the people of those countries to produce food and share it with their own people. Tobacco is one of those so-called incentives.

Furthermore this item of \$50,000,000 is a direct charge against the Federal Treasury but does not include the entire cost of the goods and commodities purchased by the Government.

The thing that concerns me is that since the people of this country foot the bill in taxes, there should be an accounting with respect to the amount and kind of commodities sent abroad under this legislation, and the real cost to the Federal Treasury.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read as follows:

The losses incurred by agencies of the Government through sales of commodities in accordance with the terms of subsection (e) of section 11 of the Foreign Aid Act of 1947 shall not exceed \$50,000,000.

Mr. ELLIS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the President's speech before the Congress at the beginning of the session was a confession of his and his party's failure. Europe's condition, he said, has become desperate; so desperate that we must make immediate appropriations to tide Europe over the next few months and that these gifts must be followed by enormous appropriations over a period of years.

So far as the situation abroad is concerned, Mr. Truman placed the blame on Russia. He neglected to tell us however the part his own administration played in placing Russia in a position to make trouble. But there is no secret about the facts. We can find them in the protocols of the secret meetings at Moscow, Tehran, Yalta, and Potsdam. We have been told about it by former

Secretary of State Byrnes. It is only because the administration leadership completely misread Russia's character and intention and were helped in doing so by their desire to hold the vote of the New York radicals. In this manner Russia was given the opportunity to make whatever trouble she has made.

The administration spokesmen have told the American people that the United Nations would create a worldwide political stability. In this they were mistaken. They said that the gift loan to Britain would lift England and, through England, all Europe out of the morass. Again the American people were misinformed.

They said the International Bank and the Currency Stabilization Fund would solve the postwar economic problem. Another mistake. Before that they made the same false promise with respect to UNRRA. Before all of this, it was lend lease that was to prevent a postwar dollar shortage throughout the world.

The total bill to the American people can hardly be less than \$60,000,000,000.

Every one of these administration schemes was put forward as a cure-all, and every one of them has proven to be a dismal failure except that part of lend-lease that directly contributed to the winning of the war.

On what basis can we hope that any new proposal under the same management will accomplish any more?

Since the end of the war and up to May 9, 1947, the United States had made available for foreign aid the following sums:

Contributed to—	
United Nations.....	\$29,289,349
UNRRA	2,700,000,000
World Bank.....	3,175,000,000
World Fund.....	2,750,000,000
Lend-lease	2,163,000,000
Other advances by—	
Surplus-property sales..	1,148,000,000
Loans to Great Britain	
and the Philippines ..	4,390,000,000
War Department grants..	1,771,926,293
Export-Import Bank....	2,931,209,176
Total.....	21,058,422,818

The Eightieth Congress has appropriated for foreign aid the total sum of \$1,721,573,900.

During the past week a strange situation has come to light. It is now a matter of common knowledge that little mention is made in Europe of United States aid at a time when an intense and ferocious effort is made in the United States by administration spokesmen to whip up a hysteria in this country on the idea that aid is to arrive by a certain day or all is lost.

Another paradoxical situation is confusing to the extreme.

While the relations between Russia and the United States Government are presented as being continually strained, the White House and State Department seem to be walking arm-in-arm with the Soviets. For example, the President was quoted recently as saying that he saw no reason for discontinuing the shipment of durable and consumer goods to Russia.

The administration has admitted that more than \$226,000,000 in lend-lease shipments have gone to Russia since the end of the war. This conflicting policy has resulted in such general protest and public confusion that lately the administration has wrung down its own iron curtain to preserve secrecy on what is leaving the country—thus denying the American people all knowledge and information of the acts of its own Government.

When the administration joins Russia in concealing such facts from the taxpayers who are called upon to pay the bills, it is indeed difficult for me to see any sensible reason for making appropriations for further operation which in the past has resulted only in hate, frustration, and despair.

The Clerk read as follows:

DEPARTMENT OF AGRICULTURE

The Secretary of Agriculture is hereby authorized, with the approval of the Director of the Bureau of the Budget, to utilize, by transfer or otherwise, during the period between the date of approval of this act and April 1, 1948, such amounts as may be necessary (but not to exceed a total of \$2,750,000) from any appropriation or fund available to the bureaus, corporations, or agencies of the Department of Agriculture, for expenses necessary to carry out (a) any laws enacted subsequent to December 1, 1947, to (1) authorize the regulation of speculative trading on the commodity exchanges and (2) authorize allocation and inventory control of scarce agricultural commodities; and (b) any programs approved by the President under existing laws to encourage conservation practices in this country: *Provided*, That, notwithstanding any other provision of the appropriation laws concerned, any funds utilized under authority of this paragraph by any bureau, corporation, or agency of such Department shall be in addition to any other funds available to such bureau, corporation, or agency: *Provided further*, That at the end of each calendar month the Secretary shall make a report to the Committees on Appropriations of the House of Representatives and the Senate of obligations incurred pursuant to this paragraph.

Mr. RANKIN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RANKIN: On page 5, after line 16, insert a new paragraph to read as follows:

"There is hereby appropriated out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1948, the sum of \$200,000,000 to enable the Secretary of Agriculture to carry out the provisions of the Rural Electrification Act of 1936, as amended, such sum to be in addition to amounts otherwise appropriated for such fiscal year."

Mr. RANKIN. Mr. Chairman, as I pointed out a while ago, you are providing over \$500,000,000 here for countries that already have practically all their farms electrified.

Italy had 94 percent of her farms electrified as early as 1936. France had 94 percent of her farms electrified at that time, and Germany, of which Austria was a part, had 90 percent of her farms electrified. That was brought out in the report of the International Power Conference held here in Washington in 1936. At that time we had about 10 percent of our farms in this country electrified.

Today we have only about 60 percent of our farms electrified, and the demand is growing every day. As I said, you are giving this money to these European countries. We are asking only for loans to construct these rural power lines. Our farmers will pay every dollar of this money back with interest, and it will add untold millions of dollars to the wealth of the Nation.

As I pointed out a while ago, on December 12, there was left out of this year's appropriations of \$225,000,000 for the REA, only \$117,000,000 to last for the remainder of the fiscal year. On that same date, the total applications on hand and in process amounted to \$264,000,000. In other words, on December 12 applications on hand exceeded available funds by a total of \$157,000,000.

Furthermore as I pointed out, applications are coming in at the rate of \$20,000,000 to \$30,000,000 a month. There are still more than 4,000,000 farm homes and nonfarm rural houses unelectrified in the United States. The best indications are that the improvement of the material situation is going to cause a greater demand for these funds, as time goes on. In the fiscal year 1946 the co-operatives only drew \$89,000,000. In 1947 they drew \$190,000,000 and in the fiscal year 1948 their demands will be far above \$300,000,000. Unless the money is provided in this bill, we are going to find those cooperative power associations without funds to build the lines that are necessary to serve the farmers whom they are trying to reach.

We have had a great deal of trouble up to now in getting materials, but those materials are now being supplied. In every section of the country farmers are appealing to us to provide funds for this rural electrification program.

I was giving you the figures that were supplied me by the Rural Electrification Administration.

The REA Power Association claims that the deficiency will amount to \$345,000,000 before the end of the year. I am only asking for \$200,000,000. Every dime of it will come back with interest. Every dollar spent will add to the wealth of that portion of the Nation in which these lines are constructed. It is the greatest thing that Congress has ever done for the farmers of America.

I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I would like to observe at this point that the repayment schedule is \$20,000,000 ahead of the amortization schedule on all the loans that have been made.

Mr. RANKIN. Yes, these funds are being repaid ahead of schedule. The Government will lose none of this money.

When we started this program 13 years ago, many Members of Congress felt that this money would be lost. This money is not lost. It all comes back with interest; and, as I said, it adds to the wealth of every community to which these lines extend.

I yield to the gentleman from Nebraska [Mr. STEFAN].

Mr. STEFAN. I am in sympathy with the gentleman's amendment, but I am wondering why the Administration did not ask the Budget to present that to

the committee when we had the bill under consideration. I think the gentleman's amendment would be in order if we could only have had it for consideration.

Mr. RANKIN. I understand that, but these demands kept piling up, and I got in touch with the Rural Electrification Administration and they gave me the figures I have quoted here.

I hope this amendment will be adopted.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. KEFAUVER. Reserving the right to object, will the gentleman make that 10 minutes? I would like 5 minutes.

Mr. CANNON of Missouri. I would like a minute.

Mr. TABER. I withdraw the request now, Mr. Chairman. I will put it in later.

Mr. Chairman, generally when an amendment is really offered seriously, the proponent, who wants to take a large sum of money out of the Treasury, goes to the Department, the Department goes to the Budget, and the Budget submits an estimate, and the committee holds hearings and finds out what the facts are. None of that has happened in this case, there has been no request for the money. The committee has had no chance to hold hearings and go into it and find out what the picture was.

I assume that when there is such a request, the proponent really is sincere in submitting it to the Congress. But I want to call attention to what I find the situation to be. I think we might just as well be honest, even on a matter relating to rural electrification, and go by the facts rather than by conclusions.

Two hundred and twenty-five million dollars was appropriated and made available for allotment for this item last year. There was a balance of about \$7,000,000, making \$232,000,000 available. Since the 1st of July up to December 12, the total allotments out of that \$232,000,000 were \$108,000,000. That means, on the basis of 5½ months which we have operated, just about the rate of the appropriation to allow it to carry all through the year. Those allotments cannot be stepped up very much because it is absolutely impossible for the Bureau to process them any faster.

There has been paid out of the advances in that same period \$105,000,000. So that there has been a little less call than the allotments in this fund. There is absolutely no reason at all for anything of this kind. There is no occasion for this coming in here. Nothing will be stopped as a result of their not having an additional appropriation at this time.

The Department tells me that there is not a single State to which allotments cannot be made and processed. One of the troubles of this situation from the standpoint of good business is that the amount of the appropriations that have been made and the money available in

the Treasury to meet the allotments that have been made is a great deal bigger than the unallocated balance. There is a total available balance in the Treasury of \$483,000,000, and the amount which goes out every month is about \$18,000,000. So you are just building up a great big balance of reserve without anything to use it for.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. H. CARL ANDERSEN. As a member of the Subcommittee on Appropriations which had this matter under its jurisdiction, we found last year that the thing that was holding up the entire REA construction was the materials situation. In a conversation with Mr. Wickard just yesterday I found through him that the situation possibly is beginning to become a little better.

While I would like, just as the gentleman from Mississippi would, ample money for the use of REA, I see no reason for putting a huge number of millions at their disposal that will never be used in the next 6 months on account of the materials situation.

Mr. RANKIN. Oh, yes; it would be used. Every cent of it will be used.

Mr. KEFAUVER. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. The gentleman from Tennessee is recognized for 5 minutes.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. ALBERT. Mr. Chairman, I am strongly in favor of the amendment offered by the gentleman from Mississippi [Mr. RANKIN] to provide a deficiency appropriation for the Rural Electrification Administration in the amount of \$200,000,000. Throughout my own district hundreds of farm families who have signed up for rural electricity and many farm communities that have qualified for this service are unable to get it because of the lack of funds. Allocations are not sufficient to take care of their needs.

Mr. Chairman, electricity means more to the farm families of America than anything our Federal Government has done for them. It has lifted drudgery from every farm home fortunate enough to have it. I hope the Congress will be willing to pass this amendment, so that the present needs of our farmers for electricity can be met. I, for one, will support every measure for the extension of rural electricity that comes before this House. This is a fight which must not stop until electricity is brought to the home of every farm family that wants it. I urge the adoption of the amendment.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. LANHAM. Mr. Chairman, I am heartily in favor of the amendment of the gentleman from Mississippi [Mr. RANKIN], which would add \$200,000,000 to the appropriation for rural electrification.

In the first place, this extension of electricity to the people on the farms has contributed more to their economic and social well-being, and has done more to enrich and make attractive the lives of the people living on the farm than anything the Federal Government has ever done for the farmer. I do not even except the rural free delivery service. There is no way to measure its benefits to the women who live on the farm. It has lifted from their shoulders the burdens that made life a drudgery instead of a pleasure.

In the second place, the people in my district are clamoring for this service, and the electric membership cooperatives are anxious to extend the rural lines as rapidly as they can get materials and the money for their construction.

In this connection let me say that while it is true that materials have been in scarce supply, they are now rapidly becoming available. Moreover this appropriation will not cost the Federal Government one penny, since all of the money will be repaid by the cooperatives with interest at the rate of 2½ percent per annum.

It has been said in opposition to the amendment that there yet remains unallocated more than half of the sum appropriated in the first session of the Eightieth Congress for rural electrification. This is true, but it is because of the fact that the Rural Electrification Administration has tried to distribute the allocation through the year to hold the same within the limits of \$200,000,000 originally appropriated.

If the \$200,000,000 which the amendment seeks to provide is not needed, of course, it will not be used and will be left in the Treasury to be disposed of at the next regular session of Congress as the Appropriations Committee and Members of Congress determine.

In view of these facts it seems to me that there is absolutely no reason why the amendment of the gentleman from Mississippi should not be adopted. We could not do a better thing for our farmers than to make this money available immediately to the cooperatives.

(Mr. LANHAM asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The gentleman from Tennessee [Mr. KEFAUVER] is recognized.

Mr. KEFAUVER. Mr. Chairman—

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. RANKIN. I just want to make one statement in answer to the gentleman from New York [Mr. TABER]. On the 12th of December, applications on hand in REA were \$264,000,000 or \$157,000,000 more than they have funds to take care of.

Mr. TABER. But they could not be processed.

Mr. RANKIN. Materials are now being made available so they can proceed with the building of these lines just as fast as they get the money.

Mr. KEFAUVER. Mr. Chairman, I rise to support this additional appropriation for the Rural Electrification Administration. I hope the amendment of

the gentleman from Mississippi will be agreed to. Most of us who have rural sections have had the same experience I had this summer and fall. Dozens of families in communities where they do not have the advantages of electricity came to see me or wrote me expressing the hope that they could get electricity at an early date. They have waited a long time and they want and deserve action. Also we have talked to the managers of the electric co-ops. They have told us that they simply do not have the money or allocation available to carry out their program in order to supply the demand. They are doing their best. The program needs this additional appropriation. It is not money lost. It will be loaned on a sound investment program. It will be repaid and with large dividends.

The fact of the situation is, as was pointed out by the gentleman from Mississippi, there is quite a time lag between the date an application is filed and the date it is processed. This accounts for the reason some unused money is now on hand. This will not be the case long and the co-ops are entitled to plan their programs over a longer time.

I have been advised that if the applications now on hand and the ones reasonably expected are processed that the present money on hand for REA will be wholly inadequate and that they will need something more than \$300,000,000 additional during this fiscal year. This amendment gives them only \$200,000,000.

On December 12 the REA had left out of this year's \$225,000,000 REA loan authorization only \$117,000,000 to last out the remainder of the fiscal year. On that same date total applications on hand and in process amounted to \$264,000,000. In other words, on December 12 applications on hand exceeded available funds by a total of \$157,000,000. Furthermore, applications are continuing to be received from the cooperatives at the rate of between \$20,000,000 and \$30,000,000 per month.

There are still 2,250,000 farms without electricity. In all, there are more than 4,000,000 farm and nonfarm dwellings without electricity.

Mr. Chairman, it seems to me that additional support of this program is not only to the advantage of the farmer but is helpful to industry and the country. When a farm family or farm house gets electricity that makes business for the manufacturers of electrical refrigerators, heating units, radios, motors, and other equipment. I think it is one of the finest programs we have in this country. Thousands of farmers and home owners all over the United States are crying for electricity as soon as they can get it. Many of them have had their applications on file for 5 or 6 years and have not been able to get electric service. The demand for electricity is one of the healthiest signs of advancement in our Nation today. It makes for better living on the farm, better farms, more production in rural areas, and, by the same token, greater production in the manufacturing industries all over the Nation. It furnishes employment for millions and millions of workers.

We need to make farm life more attractive. Electricity does that. It brings the advantages of the city to the farm. Nowadays we see the wholesome trend of young people staying on the farm or of moving back to the farms. Electricity is playing an important part in this.

In the State of Tennessee the REA cooperatives are ahead in the repayment of the amounts that they have borrowed from the REA. The program payments are being kept up. They need this additional amount. We have their word for it, and those of us who have talked with the would-be consumers in our districts know that the program is behind, that it is urgent to have this additional money in order that the REA may catch up with the applications on hand.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Mississippi.

Mr. RANKIN. I am receiving appeals now from the Middle West, from the States of Iowa, Nebraska, and that area, as well as from all the rest of the country. May I say to the gentleman from Tennessee that if the money is not expended it will still be in the Treasury, but if we provide it, in my opinion, every dollar of it will be spent between now and the 30th of June next year.

Mr. KEFAUVER. That is true, and the REA has so stated.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Arizona.

Mr. MURDOCK. Mr. Chairman, I am in hearty support of this amendment and ask unanimous consent to extend my remarks to be included in the RECORD at the close of the remarks of the gentleman now addressing the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. KEFAUVER. Mr. Chairman, this is an opportunity for us to make an investment which will yield great dividends. The money will be repaid to the Treasury of the United States. It is a program that got behind because of shortage of materials during the war, but now the materials are becoming more available and the cooperatives can move ahead faster if they have this money.

The best indication of the improvement in the material situation is to be found in the rate at which cooperatives are drawing down funds approved in earlier loan authorizations. In fiscal 1946 the cooperatives drew down \$89,000,000. In fiscal 1947 they drew down \$190,000,000. In fiscal 1948, the present year, they are drawing down funds at the rate of \$300,000,000 a year. Furthermore, new consumers are going on REA-financed lines at the rate of more than 30,000 per month, the highest on record. There has been improvement in all phases of the material situation within the past year.

In the State of Tennessee there were only 9,927 farms electrified in 1934. This was only 3.6 percent of the total. Now we have 61,573 which have electric service. The number would be double that

if the co-ops and the REA could take care of the demands. I hope to see the day when every farm family in Tennessee has electricity. Gentlemen, let us support this amendment.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(Mr. KEFAUVER asked and was given permission to revise and extend his remarks.)

[Mr. MURDOCK addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. TABER. Mr. Chairman, I move that all debate on the pending amendment close in 19 minutes, the last 5 minutes to be reserved to the committee.

Mr. CANNON. Mr. Chairman, a point of order. The gentleman can move to close debate, but he cannot control it. If 10 minutes is agreed to it will be 10 minutes for all Members.

Mr. TABER. Mr. Chairman, I move that all debate on this amendment close in 15 minutes.

The motion was agreed to.

Mr. LECOMPTE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LECOMPTE. Will the 15 minutes be divided among those Members who are on their feet?

The CHAIRMAN. All Members will be recognized who were on their feet at the time the motion was agreed to.

Mr. JENSEN. Mr. Chairman, I rose but I rather think I was a little late. I would like to be included in the list.

The CHAIRMAN. The gentleman will be included.

The Chair recognizes the gentleman from Wisconsin [Mr. KEEFE] for 1½ minutes.

Mr. KEEFE. Mr. Chairman, I have some facts I want to present to the committee on this situation but I shall be unable to do so. May I just simply say that we perhaps will legislate on this issue without facts.

I am a friend of the rural electrification program and have always supported it, and I want rural electrification to be continued. But, the simple fact of the matter is that there was an unallocated balance last year of \$6,992,000, and we appropriated \$225,000,000, a total of \$231,000,000 plus, out of which allotment they have used up to December 12, \$108,000,000, leaving a balance unallotted of \$123,000,000 that is available for allotment to the Rural Electrification Administration.

Now, on the other side of the situation there is just this: To show the lag between allotment and construction, there is available at the present time a fund lying to the credit of the REA of \$588,730,000 that they have not been able to spend, and you are being asked to add \$200,000,000 more to this project. It is no wonder that neither the President of the United States nor the Bureau of the Budget failed to recommend an appropriation of \$200,000,000. They have got all the money they can possibly use in accordance with the statement of the REA themselves.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

The Chair recognizes the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION. Mr. Chairman, I think the REA is one of the very best programs in which the Federal Government participates, and I think the country generally is back of the REA. I wish again to have some figures repeated so that I will have them clear in my mind.

Will the gentleman from Wisconsin answer these questions? How much money did we provide to be allotted for the fiscal year ending June 30, 1947?

Mr. KEEFE. Two hundred and twenty-five million dollars, and about six million dollars carried over from last fiscal year.

Mr. ROBSION. How much has been allotted of this sum of \$231,000,000?

Mr. KEEFE. One hundred eight million three hundred sixty thousand one hundred and eighty-four dollars.

Mr. ROBSION. How much remains unallotted?

Mr. KEEFE. One hundred twenty-three million six hundred thirty-one thousand nine hundred and forty-two dollars.

Mr. ROBSION. Well, of course, all the money allotted has not been used. What was the amount of money made available for construction for the REA?

Mr. KEEFE. There was available in this fiscal year \$588,730,461, out of which they had spent up to December 12, \$105,200,973, leaving a balance of \$483,529,488.

Mr. ROBSION. So at the present time we are using about two hundred million a year for allocation; is that it?

Mr. KEEFE. No; about \$210,000,000 a year.

Mr. ROBSION. I thank the gentleman.

The amendment of our friend the gentleman from Mississippi [Mr. RANKIN] proposes to appropriate an additional \$200,000,000 at this time for REA. While I do not oppose this amendment, quite a number of stanch friends of the REA, the gentleman from Wisconsin [Mr. KEEFE], the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and others of the Appropriations Committee of the House, are opposing it for one reason only—that there is still \$123,631,942 that has not yet been even allocated. In other words, less than one-half of the two hundred and thirty-one million for the fiscal year beginning July 1, 1947, and ending June 30, 1948, has been allocated. We can see at once that more than one-half of this sum for the fiscal year has not been allocated.

An overwhelming majority of Republicans as well as Democrats feel as I do that this is one of the very best programs ever set up and carried on by the Federal Government for the people generally of the rural sections of our country, and apparently it has been carried on in a most efficient and businesslike way. The Government has made available loans for very large sums of money to the REA at 2 percent and these loans and the interest have been promptly met by the various REA groups of the Nation. Therefore, the REA and its friends need

not be alarmed. The Congress, in my opinion, will provide from time to time all the funds that may be needed to carry on this admirable program.

The two hundred and twenty-five million referred to is the new money that was provided by the Congress for new allotments for the present fiscal year as of June 30, 1947. There had accumulated and was available for construction \$588,730,461 for the present fiscal year. One reason for the accumulation of this large sum for the REA was due to the fact that because of the scarcity of equipment and materials only \$105,200,973 has been used. This leaves a grand total of unused funds appropriated for the REA of \$483,529,488. Unless the program of the REA is greatly accelerated in processing claims and in construction, the \$123,631,942 will provide ample funds for allocation to June 30, 1948, and, of course, it is physically impossible to allocate and spend all of the \$483,529,488 for allocations and construction before the end of the present fiscal year, June 30, 1948.

Another reason for the opposition to the amendment of the gentleman from Mississippi [Mr. RANKIN] is that his proposal has not been submitted to, considered, or examined by the Budget Bureau or submitted to the Congress in the President's budget message, which will likely be done early in January 1948. The Congress generally considers deficiency appropriations in the months of February or March of each year. The members of the Appropriations Committee and the officials of the Government are certain that no additional money will be needed either for allotment or construction before that time, and if it shall appear at that time or any time that additional money is needed the Congress will speedily provide the funds.

It is the purpose of an overwhelming majority of the Congress, in my opinion, to give the REA such encouragement and help as may be necessary to give to all the farmers and other rural people opportunities to enjoy the benefits of this service. Many of us are especially anxious to do this in view of the amount of money that is being sent to foreign countries and in some of those countries that are being given aid in large sums which have a larger percentage of farmers and other rural people using electricity. We can render no greater service to the general welfare of our country than providing these rural people this means of heat, light, and power and to aid them in the construction of their highways. There are too many good Americans still in the mud and without the use of electricity.

I wish to commend the officials and managers of the various REA groups throughout the Nation for the efficient and businesslike manner in which they have handled the REA and wish to urge them to continue to carry on in this splendid manner, and if they do they can depend upon Congress for such aid as may be necessary.

(Mr. ROBSION asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MORRIS].

Mr. MORRIS. Mr. Chairman, it seems to me that there should be, and actually is, one big difference between the appropriation of an item for a bureau or to any department of Government that is going to spend it all, and make no monetary returns, when compared to an item in the appropriation bill that is going to an instrumentality of Government or some other place, where the money is all going to be returned. This amendment will not cost the Government one dime if past experiences are any guide to the future, and I think they are. The REA will return all of this money. There is no expenditure. It is merely a loan, and there certainly should be a big difference.

Now, the question was raised a while ago when the gentleman from Mississippi was asked the question why he did not make arrangements to have this go through the regular channels. I concede the proposition that if he were asking for an amendment to spend money it ordinarily should go through the regular channels, but this is not spending money, this is merely loaning money, and I think there is a big difference. I think the amendment should prevail.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Chairman, our subcommittee last spring gave all the money we figured REA could use in view of the bad materials situation. Yesterday I talked to Mr. Wickard, head of REA, and have requested of him to let me know how we here can help break loose this tight electrical-supply bottleneck. If that hindrance to construction is removed, I will gladly help the gentleman from Mississippi [Mr. RANKIN] secure from the Appropriations Committee whatever additional funds are needed. No request has been made of our committee as yet as a supplemental for this fiscal year. I am sure our deficiency subcommittee will consider favorably any requests for additional funds, if the REA needs the money for construction and allocation purposes. I have often shown the Congress the splendid record of repayment of loans which our REA co-operatives have made. Less than one-tenth of 1 percent of the near \$1,000,000,000 advanced will be the loss to the taxpayers. Banks would be glad to be assured of similar repayment records by their borrowers.

No good can be done now for our co-operatives by giving them 200 additional millions of dollars today. If we could help push this great work faster, I would support Mr. RANKIN's motion. There is today \$125,000,000 that has not been allocated, and nearly \$400,000,000 that has not been used, simply because our co-operatives cannot get the materials they need.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from Mississippi.

Mr. RANKIN. The materials situation is now loosening up.

Mr. H. CARL ANDERSEN. Very slightly, though, Mr. RANKIN. Mr. Wickard yesterday told me that the situation is becoming better. I hope it will improve to the extent that REA can come in this spring to the deficiency subcommittee and justify an additional allocation. I am sure that this great program will be pushed to completion as rapidly as possible. However, today, REA has not asked for any additional funds, and without such a request, it is very difficult for the Appropriations Committee to know just what is the situation. We will give them all the money REA can use. REA's record of handling the money in the past assures them of my help, personally.

Mr. RANKIN. If this money is not used, it will still be in the Treasury.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WINSTEAD].

(Mr. WINSTEAD asked and was given permission to revise and extend his remarks.)

Mr. WINSTEAD. Mr. Chairman, rural electrification has been perhaps the greatest thing that has happened for the benefit of the rural people of the United States. I am proud that I have had a part in this great program. It is with a great feeling of pride in the action of this and preceding Congresses that I go into the communities of my district where they have electricity. Yet there is another side of the picture. In spite of this great program and what it has meant to those who have gotten current there are those who have not been able to secure this electricity.

This great program means nothing to that man until he gets current. While it is true that the REA has millions that have not been spent, I would like to call attention to the fact that the funds must be appropriated so that the REA can allocate the funds to the local REA associations before they can place their orders for equipment and material, the real hold-back to expansion. We must increase the appropriation so that the construction will go ahead at full force and rapidly as possible. Too, I would like to call attention to the fact that while we may make this appropriation and the REA may allocate the money, it actually is not spent until the material is secured and the construction made. Thus, the Government is not out anything by making these funds available so that they may be allocated, the materials ordered, and the extension of rural lines pushed in every way possible.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WINSTEAD. I yield to the gentleman from Mississippi.

Mr. RANKIN. The gentleman from Wisconsin [Mr. KEEFE] undertook to tell the Committee of the whole that the REA has over \$500,000,000 on hand. The truth of the business is that all that money has been allocated. Now they are calling for more. I know what I am talking about. Today they have \$157,000,000 more applications than they have funds, and the applications are coming in at the rate of \$20,000,000 to \$30,000,000 a month.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WINSTEAD. I yield to the gentleman from Texas.

Mr. MAHON. Is it not true that if the money is not obligated or expended it will not be wasted, and that they need adequate funds to plan for the over-all program?

Mr. WINSTEAD. Exactly so. Further, many of our managers have been unable to take applications for the last few years for the reason that they could not get equipment without the allocation of funds.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Chairman, I am in favor of this amendment, although I would be willing to compromise for a lesser amount rather than fail completely. I fear the amount is too much to win approval. Of all the projects instituted in recent years I believe REA is the best. Whether this amount, \$200,000,000, is the correct amount or not I do not know. Possibly it ought to be compromised on a smaller amount. But I have been down to the REA not once but several times, and I think the gentleman from Wisconsin is mistaken when he says there is \$500,000,000 unallotted. There may be \$500,000,000 unexpended, but not that amount unallotted.

Mr. TABER. There is \$123,000,000 unallotted.

Mr. LECOMPTE. Yes; but they have a great many applications, and they are allotting the money as fast as they can approve them.

Mr. TABER. There is money enough unallotted to take them over the next 6 months, the way they are going and the way they have been going all year.

Mr. LECOMPTE. I thank the gentleman, but I think if they approve all the projects for which they have applications the \$123,000,000 will be more than exhausted.

Mr. TABER. They could not do that, possibly.

Mr. LECOMPTE. I think the REA program has done more for rural life than any other one thing. Electrification has increased the production of Iowa farms by furnishing the equivalent of an extra man on every farm that is electrified. REA aided with the social problem by helping to keep the young people on the farms. To that extent I think the REA is the best project we have had in recent years.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. MURRAY].

(Mr. MURRAY of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. MURRAY of Wisconsin. Mr. Chairman, I wish I knew for sure whether this was an attempt to do something for the rural people of America or whether it is just for political purposes. You know, back home I have been accused of not being thoughtful enough about the farmers. There is some outfit, I do not know just what it is, that has something to do with the REA that tells the good people out there in my district that I am not for the REA. I have installed an REA myself for that matter.

I would like for them to go ahead and prove it. The House appropriated money last year and I am certainly willing to go ahead and appropriate all the money that is necessary. I am not going to be frightened into appropriating money that cannot be properly used. I know every dollar of it will come back. But I do get kind of tired of finding all these people who are so interested in co-operatives all of a sudden when it is so close to election time because the REA is about the only cooperative they have. As a matter of fact, I presume in my district I have more cooperatives than most of these States have. I do not see why it is necessary every time to get the political angle in connection with rural electrification because only a little over 50 percent of the farmers of this country have lights at the present time. After they get the lights in, there are 9 out of 10 of them that will need other modern conveniences.

There is altogether too much partisan politics injected into rural electrification and not enough watts.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I have received numerous letters from officers of the REA and other folks in my district telling me they are informed by the REA officials here in Washington that an insufficient appropriation was made for the fiscal year 1948. If that is the situation then the needed funds should be made available and quickly. I do know that a lot of farms in my district and in my State of Iowa are not now energized and that power is badly needed for full farm production now when we need it so desperately. I am very sorry that hearings have not been held to ascertain just what the true facts are in this important matter. I am sure if hearings had been held and if we had learned for sure that an appropriation is now needed in almost any reasonable amount, that the Congress would appropriate that necessary money during this special session. It leaves the House, may I say to my good friend the gentleman from Mississippi [Mr. RANKIN], in a very uncertain and confused state of mind because we have not had hearings on this matter and we have not heard the REA officials, to justify this request that you have just made right out of a blue sky. And so it is difficult for any Member of Congress to take snap judgment and vote intelligently unless he is willing to simply shut his eyes, and vote for the amendment only because he fears the political repercussions if he does not. During my 9 years in Congress I have each session supported the full amount of funds for REA recommended by the Agriculture Subcommittee of Appropriations, because I am sure every dollar will be returned to the Federal Treasury. And what a wonderful thing light and power is for the American farmer, his wife, and family. You see I was a boy on the farm in the dark age so to speak.

The CHAIRMAN. The time of the gentleman from Iowa has expired. All time has expired on this amendment.

The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 69, noes 105.

Mr. RANKIN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the chairman appointed Mr. TABER and Mr. RANKIN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 81, noes 98.

So the amendment was rejected.

(Mr. RANKIN asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

DEPARTMENT OF THE ARMY
CIVIL FUNCTIONS

Government and relief in occupied areas: For an additional amount for "Government and relief in occupied areas," \$230,000,000.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KERSTEN of Wisconsin: On page 5, line 41, strike out "\$230,000,000" and insert "\$232,000,000."

[Mr. KERSTEN of Wisconsin addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. TABER. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, there will be available if this item is carried as it stands in the bill, \$230,000,000, a total of \$630,000,000 for the relief of the occupied territory and for operations in the British zone. In the justifications that were submitted to the committee by the Department there is the sum of \$2,000,000 for the supplying of paper and for educational textbooks in the zone. There is no reason why they cannot use that money.

As far as the clothing proposition goes, while that particular item may not have been provided for, and it undoubtedly would be a desirable thing, there is no reason why this could not be provided with the funds that are already carried in the bill. So I am going to suggest that probably the gentleman from Wisconsin has done a service in calling attention to this need; however, it can be done with what is already in the bill, and for that reason I feel we should not increase the amount.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, if the gentleman from New York [Mr. TABER] had not made the statement he just made I should vote for the amendment offered by the gentleman from Wisconsin.

Mr. Chairman, I rise also to speak of the need for automobiles by the paraplegics, and the gentleman from Wisconsin has much need of this for his veterans too. I wish we all realized the need these men have for those cars, so that they can get out of the hospitals and go home and so that they can go to and from their work. H. R. 4007, which would accomplish this, was ready for action in the last part of this last session. It was

reported favorably from the Committee on Veterans' Affairs on July 2, 1947. It passed the Senate last year.

Mr. HINSHAW. Mr. Chairman, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from California.

Mr. HINSHAW. The gentlewoman speaks of paraplegics. What about the quadraplegics? I understand there are about 115 of them.

Mrs. ROGERS of Massachusetts. They are included in the Mathews bill, which is the House bill, and also the amputees, who were not included when the amputee bill went through the Senate. I have never been so befuddled and disheartened in my life as I am at the moment, because we have not as yet secured any legislation which would enable those veterans who are taking institutional training to have a slight increase in order that they may live in these days of excessively high prices.

I would like to ask the Members of the House how many of them went through the mental hospitals during the recess, through the wards where the mildly disturbed nervous cases are, and through the wards where the violently disturbed cases are? I would like to ask the Members how many boys they talked with; how many of the boys who had nervous break-downs, because they could not continue their studies, because they did not have the funds to carry on. The Meade bill, H. R. 4212, only asked for a small increase for the veterans for subsistence allowance; \$10 a month additional for the single men and about \$15 a month for the married veterans, and an additional \$15 for veterans with several children. I would like to ask the Members who were here in 1944 to hark back to that time. Do you remember when you were asked to send the tools and implements of war to those boys in order that they might save us? One of the things that I was in four countries for in 1944 was to try to help to get those materials of war to those boys at the battle front, and those same boys now in the hospitals in England and France and Belgium and Italy asked me what we were going to do for them regarding the education that they were losing, and I promised them that we would give them something, and we did pass the GI bill of rights which gave them a chance for education. Unless they have more money many of those now in schools will have to give up their courses in January. I plead with the Democrats and the Republicans, for it is not a party matter, to do something for these veterans before we adjourn. I know every Member feels kindly toward the veterans. Let us act before it is too late.

The CHAIRMAN. The time of the gentlewoman from Massachusetts has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. KERSTEN].

The amendment was rejected.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will take the time of the committee for only a minute or two. I have in my hand a report which is titled "National Income and Expenditure of the United Kingdom, 1938 to 1946" which is presented to Parliament. It states on the cover, "By the Financial Secretary to the Treasury by Command of His Majesty, April 1947," and is printed by His Majesty's stationery office of London.

It gives a report of the financial picture of the British Empire, and at page 7 it carries a table "balance of payments, table 3." Under the heading of "Government Expenditure" it has a subparagraph or item "(C), cost of Germany, net, thirty-eight million." Now, that thirty-eight million is £38,000,000. At the current rate of exchange of about \$4 per pound, it would be something less than \$160,000,000 as the total cost of operation in Germany for England during the calendar year 1946.

I call that to your attention and put it in the RECORD at this point as evidence that the Committee on Appropriations was justified in saying that as to the funds requested for taking over the responsibilities in the British zone, the committee would provide only \$100,000,000 at this time and hold in abeyance consideration of the additional \$137,000,000 which was requested in the budget estimate. The budget estimate came in for \$237,000,000 for the United States to take over the costs in the British zone for a period beginning the latter part of this year and running until June 30, 1948; in other words, for slightly over 6 months, with the British still contributing approximately 10 percent of the presumed cost for the operation of the British zone, we were asked to provide \$237,000,000, where the statement of the British Treasury is that it cost them less than \$160,000,000 for the entire year of 1946.

That ought to be a part of the record and ought to put the Congress on notice that when we are asked for funds for this purpose we should give it a second look.

The Clerk read as follows:

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Welfare of Indians: For an additional amount for "Welfare of Indians," including the objects specified under this head in the Interior Department Appropriation Act 1948, \$200,000.

Mr. HARLESS of Arizona. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARLESS of Arizona: On page 6, line 24, strike out "\$200,000" and insert "\$500,000."

(Mr. HARLESS of Arizona asked and was given permission to revise and extend his remarks.)

Mr. HARLESS of Arizona. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. HARLESS of Arizona. Mr. Chairman, it was my experience last spring to go out to the Navajo Indian Reservation

and live on the reservation. You will recall that several times I brought to your attention the condition of those Indians. It is my purpose today to tell you why those people are starving to death.

In addition, I call to your attention the fact that only last week the House and Senate committees which have jurisdiction over Indian Affairs recommended and we in this House passed a bill which would provide \$2,000,000 for relief of the Indians, \$500,000 of which was to be used for immediate relief purposes and \$1,500,000 to be used in a permanent program.

I want to go back in history and give you some facts which have brought about the present situation. In 1868 the United States had a treaty with the Navajo Tribe. We took them off good land and placed them on a barren wasteland. The United States permitted a railroad to go through the better part of what had been their pasturelands. We put them on the most worthless land that could be found in the United States. At that time there were some 8,000 of them. We captured them and gave them a treaty, at the point of a gun, to educate their children and furnish 1 teacher for every 30 students. We agreed to furnish housing for them. We agreed to provide for their welfare. We have never fulfilled that treaty.

Over a period of time, in order for these people to survive on this poor land, they grew sheep, and the number gradually increased until in 1938 they had some 1,500,000 sheep. That was their sole source of income. Finally Government agents found that overgrazing was causing the land to erode and the fine silt was going down the streams into Mead Lake and filling up the lake in front of Hoover Dam. The great White Father could not afford to have his own project destroyed. So Government agents ordered the Indians to reduce their herds, and they were forced to cut them to 300,000 head. As a result, one family could have only 61 head of sheep, regardless of the number in the family. Since that time we have not permitted any new families to obtain a sheep permit. A man who was married and has raised a family since 1938 has not been permitted to have any sheep.

When the war came, many of these people were employed in war industries. Some four or five thousand of them were working in one big project at Belmont, Ariz. Another 2,000 of them were employed on the railroad. Another 4,500 of them went to war and fought for us. As long as they had an income from war activities and dependency checks the people got along all right. When the war ended some of the war workers brought back venereal disease and other white men's diseases which are now destroying the Indians. There are between 60,000 and 65,000 of these Navajos. Almost 40 percent have tuberculosis and 35 percent of them have a venereal disease. There are not half enough doctors and nurses there to take care of them. The hospital facilities are far inadequate. There are some 22,000 children of school age. Only 5,000 of them are going to school. The school buildings and teach-

ing staff are inadequate. Mind you, we had a treaty to educate these people. Less than 50 percent of them can speak the English language.

We stand here today and talk about relief for foreign nations when we have a national disgrace in our own country. According to the estimates of the Secretary of the Interior, the Navajo Reservation is capable of taking care of only 35,000 people, provided it is developed to the highest extent. It would cost some \$75,000,000 for irrigation projects to support 35,000 people. Yet, we have some 60,000 or 65,000 people there now. By the time such projects could be provided there would be at least 75,000 Navajos. Some people have the nerve to come here and say that only 5,000 of them are hungry. Why, 5,000 of them will die of starvation this winter unless we provide this relief and in sufficient amounts. Everybody up there is hungry. As a matter of fact, they would not have tuberculosis if it were not for malnutrition. These are the first Americans who occupied this land. We drove them onto this worthless land, and now it is proposed to appropriate only \$200,000, or \$3 a person, for these people. Unless we pass the amendment and provide additional funds, many will die during the next 90 days.

I yield to the distinguished gentleman from California [Mr. WELCH].

Mr. WELCH. Is the gentleman from Arizona aware of the fact that the Bureau of the Budget recommended \$450,000 to be included in this deficiency bill for immediate relief of the Navajo and Hopi Indians?

Mr. HARLESS of Arizona. Yes. I thank the gentleman from California for that observation. The Bureau of the Budget asked for \$450,000 for this immediate relief, and it was cut down to \$200,000. Four hundred and fifty thousand dollars would not be enough. I say that \$500,000 is meager enough.

Mr. JENNINGS. Mr. Chairman, will the gentleman yield?

Mr. HARLESS of Arizona. I yield.

Mr. JENNINGS. I am in hearty sympathy with the gentleman. So far as I know there is not an Indian in my district but I have a letter this morning from one of the finest citizens in my district that he is aroused and indignant at the outrage that is being perpetrated on these helpless people.

Mr. HARLESS of Arizona. I thank the gentleman for his observation. I think we should hang our heads in shame at the thing that is being done to these people, and for what we have done in the past. There is need for a permanent policy for these people. It is not only necessary to have this temporary relief today, which we will pass at this time, but we need a permanent program.

I yield to my distinguished friend, the gentleman from New Mexico.

Mr. FERNANDEZ. The House committee and the Senate committee that investigated the matter this summer recommended \$500,000, although they did not have to, and reported a bill recommending \$500,000 for immediate relief, and \$1,500,000 to provide work for the unemployed.

Mr. HARLESS of Arizona. I thank the gentleman for that observation.

This is a plain case of taking care of destitute people. If you were to go there and see the conditions, it would make your heart bleed. You people think about the Indians, of course, as being a diminishing race. This is one race of Indians that is increasing. They are energetic. They want jobs. They want their children to be educated. They want to be good citizens. I talked to many traders on the reservation. Every trader I talked to said that the Navajo people and the Hopi people are energetic and wanted to work. After we have taken care of this relief, and I sincerely believe that you will provide this necessary amount, I hope that next spring we will provide a permanent program for these people and provide some way of getting them off the reservation. I hope we will educate their children, to which they are entitled. We owe this to them not only because they are a part of America, but they were the first Americans.

Mr. CASE of South Dakota. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 8 minutes, the last 3 minutes to be reserved to the committee.

Mr. WELCH. I object, Mr. Chairman.

[Mr. DEWART addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. DEWART asked and was granted permission to revise and extend his remarks.)

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the plight of the Navajo and Hopi Indians presents a very unusual and pathetic situation. The people in my district who are far removed from these Indians want to see them properly and adequately taken care of, and I for one intend to vote for the amendment. I wonder, however, if it has ever been brought to your attention that the Congress long ago, in 1936, voted a social-security program which was designed to take care of people everywhere in America. It was supposed to relieve the aged, the crippled, the blind, the neglected and dependent children. It provided for unemployment compensation and old-age and survivors' insurance.

The States of Arizona and New Mexico are involved in this program because the reservation crosses the State lines. Each of those States submitted programs to the Social Security Board for approval, and in those programs that were approved by the Social Security Board it was provided that aid under the Social Security program should be given without discrimination.

What has happened? Why are not these people on this reservation receiving the aid under the social security program that they are entitled to?

Mr. HARLESS of Arizona. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I must ask the gentleman to let me complete my statement; then I will yield if I have time.

The situation is that in New Mexico a case is now pending before the Social Se-

curity Board to find out why the State of New Mexico is not taking care of the Indians under the law and why they are discriminating against these Indians who are citizens of the United States. I think it is high time for the Members from those States who are constantly voicing their opinions on this floor in behalf of the Indians to say something to their own States and ask the reasons why their States are refusing to administer the social-security law as intended, and provide the money in the form of matching funds to see that the Indian gets a square deal in the manner in which the social security law contemplated.

I now yield.

Mr. HARLESS of Arizona. I call the gentleman's attention to the fact that the Federal Government has a responsibility towards these Navajos and Hopis that it is trying to shift onto the States of Arizona and New Mexico. They are trying to make our Social Security Board carry an unbearable burden.

Mr. KEEFE. The gentleman does not answer the question at all. His state is providing social-security benefits for people in Arizona other than Indians, but when an Indian on the reservation makes application for social-security benefits what do they do to him? What do they do to him in New Mexico? They deny him, and that is why the State of New Mexico is right now called before the Social Security Board. I believe their whole funds should be withheld until the State of New Mexico as a State sees fit to comply with the law and provide aid for these Indians without discrimination. I hope the Social Security Board will see to it that the gentleman's State, if you please, is required to meet its full responsibility under the Social Security Act. If his State does that, then he will not constantly be coming here asking the Nation to take care of his State's responsibility.

The situation is presently a critical one, Mr. Chairman. We must take care of them, they have got to be taken care of, and I want to see them taken care of. They are our people, our citizens—I am willing to vote to give them the proper amount of money, but I am calling your attention, sir, to this fact because I do not want the States of New Mexico and Arizona to foist off their responsibility in this matter on the Congress of the United States.

Mr. HARLESS of Arizona. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield.

Mr. HARLESS of Arizona. This is a responsibility of the Congress. The Federal Government has a treaty with these particular Indians which it has never fulfilled.

Mr. KEEFE. The gentleman's State claims in effect—and I know what the claim is—that under the social-security law a person who is an inmate of a public tax-supported institution is not entitled to the benefits of the social-security program. The gentleman's State contends, and it is likewise the contention of New Mexico, that these Indians—to whom your heart goes out all the time—are, in effect, living in an insti-

tution supported by the taxpayers of the Nation, and, therefore, they are not entitled to social-security benefits. The gentleman can assume that attitude if he wants to, but as far as I am concerned those Indians are American citizens and they are entitled to the benefits of the Social Security Act.

Mr. HARLESS of Arizona. The gentleman wants to shift the responsibility of Congress onto the States.

Mr. KEEFE. I intend no shift of responsibility—I simply demand that existing law, that these States have agreed to, shall be enforced—if this is done and these Indian citizens are treated as Americans we may expect a great improvement in their health and education.

Mr. TABER. Mr. Chairman, I move all debate on the pending paragraph and all amendments thereto close in 21 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from New York [Mr. TABER].

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. Dawson] for 2½ minutes.

Mr. DAWSON of Utah. Mr. Chairman, I am in favor of the pending amendment. I should also like to call attention to one or two facts I do not believe have been mentioned. A good many of you have received letters from your constituents calling attention to this matter.

Out in my own State the people are really doing something about it. Within the last few weeks we have heard a lot about our foreign-aid program. We are willing to throw money around the world, we seem to be worried about whether the people are going to receive the relief we are putting out. However, out in my State the Mormon Church and others who are interested in this problem are going ahead with a relief program of their own and distributing these supplies directly to the Indians. They started a Friendship Train out from the north end of Utah and by the time it reached the south end of the State, at the location of the Indians, it contained a good many hundreds of tons of food. The church and other institutions out there are taking on this problem to feed these people.

Mr. Chairman, I think it is a disgrace to this country that we have to go ahead through charitable organizations to take care of people who are the wards of this Government.

In reference to the social-security problem, I raised the question in committee that the Navajos and the Piutes and the Utes, adjoining the Navajos in Arizona, were not receiving the same consideration that the Navajos and the Hopis were receiving and I was informed by Mr. Zimmerman, head of the Indian Bureau, that in Utah they were receiving social security which they did not have in Arizona and New Mexico. I think that is something that should be looked into. I see no reason why one State should pay social-security benefits while the two sister States should not pay it. I think it is time that we wake up and decide to do something here about our own people. The people in Utah, New Mexico, and Arizona who are taking care of the In-

dians should be commended and we should go ahead and give them the amount of assistance they need.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. DAWSON of Utah. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. Is it not a fact that the Navajos in Utah number between 350 and 500, as the record shows, and that they live on a million acres of land situated entirely different from Arizona and New Mexico?

Mr. DAWSON of Utah. I may say to the gentleman from New Mexico that the type of land is no different in New Mexico than across the river in Utah. I think the position of the Ute Indians and the Piutes is about the same as the Navajos.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. MURDOCK].

(Mr. MURDOCK asked and was given permission to revise and extend his remarks.)

Mr. MURDOCK. Mr. Chairman, the time will hardly suffice for me to say what ought to be said on this occasion, but before I get into that I want to state, with all the commendation that I can summon, my appreciation of the work of the committees, the Committee on Public Lands, and the Subcommittee on Indian Affairs, and especially the chairman, for bringing the legislation thus far. Our subcommittee which met at Window Rock a few weeks ago on the call of Chairman D'EWART, went into this matter. It was because of that meeting and because so many Members of Congress visited the reservation this year that we were able to get this report of the needs. I want to express my appreciation to the chairman of the subcommittee and to the chairman of the full committee, Congressman WELCH, that we have gotten action so effectively as we have in the bill that was passed here the other day, which will probably be signed today, and for this implementing appropriation.

Mr. HARLESS of Arizona. Mr. Chairman, will the gentleman yield?

Mr. MURDOCK. I yield to my colleague from Arizona.

Mr. HARLESS of Arizona. I just want to put in here some facts that the gentleman from Wisconsin [Mr. KEEFE], brought out concerning social security. I want to clear the record that this particular reservation has been under this treaty arrangement and that the Federal Government has a responsibility to these Indians. To shift this tribe of 65,000 Indians in their present condition onto the States of New Mexico and Arizona would break the social security of the two States. Because of the neglect of the Federal Government it would break our social-security structure and we would have to close up. Unless the Federal Government takes care of their share we could never take care of our share.

Mr. MURDOCK. I quite agree with my colleague in this. The 65,000 Navajo Indians are wards of the United States. It is my duty and yours as Members of Congress to look after the wards of the Government? Yes; I heard the gentleman from Utah say that the religious

people of Utah are sending a friendship train to this vast reservation. The American Red Cross is doing the same thing. The American Legion at Phoenix is doing the same thing, and so are others, which is praiseworthy. But why should we as representatives of the American Government not look after our wards properly? It is a shame if we must depend on private and religious and charitable organizations to do it. I have seen some good work on the Navajo Reservation. I have seen the missionaries there doing their work; church organizations doing the work that we as a Government ought to do. That is why I am strongly in favor of a long-range policy suitable for these Indians, to do justice after 80 years of neglect, 80 years of repudiation of treaties that we made with them. We furnished them no adequate schools and we furnished them little means of livelihood.

Mr. Chairman, there is a great deal of misinformation about Indians in Arizona. Occasionally I am asked: "Why are your Indians not citizens?" Well, Mr. Chairman, they are citizens. This Congress passed a law in 1924, making all American Indians born in this country citizens. Another question asked is: "Why doesn't Arizona permit Indians to vote in your State?" In all fairness it must be understood that any Indian who moves off the reservation and resides in any town or community in Arizona is permitted under the law to register and vote just exactly as I register and vote. Another question often asked is: "Why doesn't Arizona include Indians under the Social Security provisions?" I wish to state that some Indians have applied for social-security benefits in Arizona and have been accepted in certain cases where they are living off the reservations and are otherwise qualified. About three-quarters of the entire area of Arizona is owned by Uncle Sam and about one-third of that is in Indian reservation over which the State has no jurisdiction.

At least 10 percent of the population of Arizona are Indians, the great majority of them living on reservations. These Indians are wards of the United States Government. They have no private allotment of land, in fact they have very little private property in general. The general property tax cannot apply to them. To force the State of Arizona to match Federal funds in extending social-security benefits to all Arizona Indians would be a crushing blow, absolutely unjustified, and an unbearable burden to the economy of that youngest State. Not only that, but such a move would mean that the United States Government would be shirking at least half of its responsibility to these wards of the Government. Is there any one in this body who would advocate such a course of action?

Some members have spoken sarcastically today about those like myself, whose hearts are supposed to bleed for the poor Indians. Well, I think I am not a hypocrite in expressing my friendly attitude toward the Indians of Arizona. I am sure I have called attention to the plight of the Navajo Indians and the Hopis at least a dozen times on the

floor of this Chamber, as the record will show, during my 11 years of membership here. I am sure that I have earnestly called attention to the problem of these Indians in the meetings and in the hearings of the Indian Affairs Committee during my 11 years of membership on that Committee. My Colleagues on that Committee know this to be a fact. I do not know that my heart is bleeding for the Indians, but many of my Colleagues know that I have worked seriously in their behalf through these past years. Yes, I want these Indians, to be taken care of properly by the Federal Government whose wards these Indians are, and my voice has ever been raised for better care and proper care by the Federal Government. The printed records will confirm all of this.

Well, then, do I want the Indian to vote? Do I want him emancipated? Well, I have protested the use of the word "emancipated," as applied to Indians, because it connotes too much, for we in this country have never held the Indian in chattel slavery. I do want the Indian freed from wardship at the right time and on the right conditions and that as soon as it is wise to do so. It is an individual matter. I do want suffrage extended to him at the right time and on the right condition. I am a Democrat, and I think I know something of the philosophy of Thomas Jefferson, and because of that I want suffrage in Arizona extended to the largest possible group of qualified citizens within our State. Arizona has not only beneficial laws for her people but a very democratic constitution and in spirit seeks to provide a wide suffrage, yet we have in the laws of Arizona a literacy test as a qualification for voting, and I approve it. I believe that the sovereign power residing in the people should rest upon an intelligent citizenry. Has Congress prepared these wards for the suffrage? What is the percentage of literacy among the Navajos, who were promised education for their children 80 years ago with a teacher for every 30 children? You have heard it said here today that there are now 16,000 Navajo children of school age who have never had any schooling at all. It is true that today there are about 5,000 Navajo children of school age who have had a little schooling; practically none of them have gone beyond the sixth grade, and their average schooling is not above the third grade. Let it be noted this generation of children has had better opportunity than its parents. Would you want to require Arizona to incorporate such a large body of illiterate inhabitants into our voting population at once?

Some say what a shame that Arizona does not admit all these Indians to the social-security benefits. You have heard the statements made here today that half of these Indian babies die in early infancy and that 40 percent of all the tribe are afflicted with an incline to tuberculosis. I believe it is a fact that about 90 percent of them have been afflicted with trachoma. The general Indian population is suffering from malnutrition. Is it fair to ask the State of

Arizona to extend full social-security benefits to these poor victims of the Federal Government's neglect? I say as a sober fact that Arizona should not be expected to carry such a burden when plainly it is the duty of the American Government to furnish these needed benefits to its own wards. If we had done what ought to have been done through the years, or if we begin now to carry out an adequate long-range program to educate these Indians to improve their health standards and to rehabilitate them economically, they will soon become competent to live the white man's life in the white man's way and be able to be released entirely from the wardship of the Federal Government. Until the Federal Government has done that for them, the Federal Government has no justification in asking the last and youngest State in this Union to remedy the neglect and extend all the privileges of citizenship, together with the benefits, to these Indians.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

The Chair recognizes the gentleman from Pennsylvania [Mr. FENTON].

(Mr. FENTON asked and was given permission to revise and extend his remarks.)

Mr. FENTON. Mr. Chairman, I had the privilege of visiting the Navajo Indian Reservation a few weeks ago, and I want to say to you that it is a disgrace on the name of our great Government to permit such conditions to exist on the Navajo Reservation. I do not know whose fault it is—whether it is a quarrel between the States and the Federal Government as to the aid that is now necessary—but I do know this: That the disease and death rate is so high there that it is a black blot on modern methods of treatment and sanitation by this great United States of ours. Over 50 percent of the babies die before they reach the age of 6 months. The mortality rate and the disease rate is terrific, particularly dysentery, which takes an enormous toll in death of babies. Why is all this? Just because the basic thing is missing in that particular section of our country. I refer to water. Without water there is no need to try to have sanitary conditions. Water is basic in sanitation.

I cannot for the life of me understand why this great Government of ours keeps the Navajo Indians in such a spot in Arizona and New Mexico.

The Navajo Indians cannot exist or receive proper medical care or have sanitation in their present location because of insufficient water and vegetation.

Economically—being a cattle-raising people—they cannot be expected to have an increase in cattle with such a lack of water and vegetation.

As far as sanitary conditions are concerned there simply is none. Therefore, the death rate, particularly of infants is very high and the morbidity or disease rate disgusting in these days of advanced prevention of disease and treatment. The reasons for infant dysentery is the lack of fresh milk and fresh water.

Tuberculosis with its high percentage will never be brought under control until the Navajo is given an opportunity of liv-

ing in a place conducive to existence. I saw several fine hospitals and a TB sanatorium. The latter was filled. The hospitals with only a few patients because of insufficient medical personnel and being so far away from the people and the almost impossible roads—I found typhoid fever and diphtheria—no sewerage systems or anything that resembled modern disposal of human excreta. In fact there was none.

Even though a tubercular patient is lucky enough to survive after treatment in the sanatorium he has to go home—home—to what kind of a home? Well, if what I saw could be called a home—those hogans that I saw—where three and four generations of a family live in the same one-room affair called a hogan—then there is no wonder why TB is so prevalent.

I have mentioned about the hospitals not having sufficient medical personnel. Under the present system of civil service and the conditions existing in the field of the Navajo—I doubt whether a sufficient number of qualified medical personnel could be induced to tackle the job. The Veterans' Administration, you know, had to discard the Civil Service in order to have proper personnel to man their institutions. And if doctors and nurses had to go into the field, and they would, it would not be long until we would have to recruit others to take their places. They simply could not be expected to stay in the field permanently. No water. No sanitation.

There is a great need for our United States Public Health Service to get on the job—investigate for themselves and come up with a recommendation—a real recommendation. I am sure if they did they would make only one recommendation that would solve most of the trouble; and that would be, put the Navajo Indians on a reservation or reservations where they can live as human beings—where they can raise their families free from the dangers of malnutrition, disease, and premature death.

I shall not discuss at this time the lack of education amongst the Navajo—except to say that it is sadly lacking—lacking because of the present location of their reservation. Again it is no water and poor, impassable roads.

The picture is not a nice one to look at and I am sorry to have to report to you in this manner. The Department of the Interior, through its Indian Bureau, has in mind a 10-year program to correct many of those deficiencies. I hope it will include the removal of the Navajo from barren, desert land to places where they can exist like a free people.

As a medical man I am ashamed of the now existing conditions. There is but one answer to it in my humble opinion—do unto others as you would have them do unto you.

The CHAIRMAN. The Chair recognizes the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. Mr. Chairman, the gentleman from Wisconsin [Mr. KEEFE] is wholly misinformed as to the contentions of New Mexico.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. FERNANDEZ. Not just now.

Mr. KEEFE. The gentleman says I was misinformed. I just got through talking to the Chairman of the Social Security Board.

Mr. FERNANDEZ. I do not yield.

If the facts as stated by the gentleman from Wisconsin were as he stated them, then I would say he is absolutely right. Not only that, I say that the States ought to take care of the Indians under social security in cooperation with the Federal Government. But the fact is, first, New Mexico has not discriminated against the Indian because he is an Indian, as the gentleman from Wisconsin says, nor does it make the contentions ascribed to it by him; and second, New Mexico is, in fact, taking care of the Indians it can process and still do justice to the Indians and non-Indians.

You will observe that the gentleman from Pennsylvania [Mr. FENTON] who visited the reservation did not say a word about the social security controversy now raging. You will observe that those who have been down there, both from the Senate and the House, have not said anything about it, because they understand the situation there.

It would be impossible for me to detail to you what the facts are and what the situation is. All I can do in 2½ minutes is ask that you reserve judgment on that particular matter until we have had an opportunity to explain that to you, and we would be very glad to do it, because right now negotiations are going on between the congressional delegation, the Social Security Board, New Mexico, and, I believe, Arizona, to find some plan by which New Mexico can participate, which it wants to do. However, the physical facts are such that they have not been able to arrive at something that is physically possible. I regret my time is up and that I cannot even start, but I shall do so fully at the first opportunity.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, it makes no difference whether these people are starving because of some maladministration on the part of the Federal Government or some failure of their respective duties on the part of the States out there.

If these Indians are starving, if one-half of them die before they reach the age of 5 years, if among them they have the highest rate of tuberculosis in the country, if they are without food, this Congress should relieve these deplorable and heart-rending conditions. It is beyond dispute that all of these conditions exist among the Navajo Indians. They have been pushed back and back and back at the point of a gun, and today they are in an area that is arid, without water, and that is not fertile enough to produce sufficient food to sustain them. These conditions exist under our flag, within the boundaries of this Republic, and they should be corrected. More than 4,500 of these Indians put on the uniform of our country and went out in defense of this Nation in the last World War. We cannot afford to fail them in

the hour of their distress. For my part, I propose to vote in favor of sufficient funds to put them on the road to self-support and to relieve the wretched and intolerable conditions under which they are starving and dying like flies. We should do right by these people. We should be just with them. We should be more than just—we should be generous. Appropriate this money. It will not be wasted. I would hate to think that by pinching pennies, in order to save a few paltry dollars in the exercise of a misguided and blind economy, this Congress should cause the death of a single man, woman, or child among these people by disease, hunger, or cold.

As to whether we should extend belated relief to these people, the spirit of Christmas and the dictates of our common humanity demand that we right the wrongs that this country has so long inflicted upon these Indians. We should do it while they are yet alive and while the opportunity is ours.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. STIGLER].

Mr. STIGLER. Mr. Chairman, I am very glad to see the membership of the House so deeply concerned over the plight of our American Indians. Within the past two weeks since the plight of the Navajo Indians has come to the attention of the people of America, I have received many letters from Indians and whites of my State who are greatly distressed over what Congress is going to do for the Navajo Indians. My State has one-third of the Indian population of the United States. I think I know the Indian people. Some of my people were driven by our Government over a trail of tears 100 years ago for the benefit of the white people, who wished the land upon which they lived. They learned something about hardships. They endured many. It will be remembered that President Lincoln emancipated the Negro, which resulted in the Civil War. But here we have practically in bondage, American Indians who never have been emancipated by the Congress, and we have seen this Congress and previous Congresses appropriating billions and billions of dollars for relief abroad, to which I am not objecting, because I, too, have voted for every dollar of relief for the starving people of Europe and will do so again, if necessary, but here we have an opportunity to do something for our own people in our own land—America's first citizens if you please, by raising an appropriation to keep them from starving this winter. Mr. Chairman, how can anyone be so heartless to turn down such a plea.

I yield to my colleague the gentleman from New Mexico [Mr. FERNANDEZ].

Mr. FERNANDEZ. If the cause of these conditions is the failure of the States of Arizona and New Mexico to do their part and we deny them what they need, according to these reports, then we are punishing the Indians for what the white people of New Mexico and Arizona have done. I do not think the Congress ought to do that.

Mr. STIGLER. The gentleman is absolutely right, especially when they have no voice except the voices of those who

rise in the well of the House to defend their position.

May I say something about the treaties that have been entered into by this Government with various Indian tribes? When our Government makes a treaty with any Indian tribe, the Indian regards that as a most solemn obligation. To the Indian it is most sacred. The Indians have always carried out their agreements, but not so our Government. The history has been one of broken treaty after broken treaty, and here we see another instance of our Government breaking a treaty. We should bow our heads in shame. As long as those treaties are in existence, and as long as the Indian is a ward of the Government, I say it is a Federal responsibility and not a State responsibility to look after their welfare.

To those who may feel inclined at this hour to refuse to hear the voices of distress and hunger from our first citizens I would remind them that it was those same first citizens of ours who met at our shores the good people who came over in the *Mayflower* and offered succor to them. Strangers in a strange land were these newcomers. But that didn't make any difference to our Indian people. They are that way, willing to share with others what they have.

Today we hear so much talk about promoting peace on earth and good will toward men. May I say to you, never before has there been presented such a wonderful opportunity for us to promote good will toward our native Americans than by voting for this amendment. I hope it carries overwhelmingly. By so doing we shall be rendering more than lip service to them.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, this situation was brought about by the fact that during the last hearings of the Subcommittee on Appropriations for the Department of the Interior, Dr. Beatty came before the committee and gave us a most distressing picture of the conditions on the Navajo reservation. In fact, after he had finished his testimony, a number of us on the committee became so disturbed that it was difficult for us to live with our consciences, and so I made a request that Dr. Beatty reappear before the committee. Dr. Beatty is in charge of the education of the Indians. Also we asked Dr. Snively, who is in charge of the health of the Indians, to be brought back before the committee to tell us the whole story. They did that, and if you will look in the records of the hearings of last year of the Subcommittee on Appropriations, you will see the story in full. I tell you, it is a story that should make us hang our heads in shame. The facts are that these Indians are now on that desert land, where the soil-conservation program does not operate because of the law. We do have a little money appropriated each year for soil conservation in the Department of the Interior but it is a very small sum. So we have this terrible condition.

Regarding the schools, we appropriated for two new schools to be built down there. I am told by Mr. Zimmer-

man, Acting Commissioner of the Indian Bureau, that the Bureau of the Budget refused to permit them to go ahead with those schools. We have 15,000 Indian children down there without school facilities today. We have 4,500 veterans who fought gallantly in the last World War, who do not have a vote.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. JENSEN] has expired.

The Chair recognizes the gentleman from South Dakota [Mr. CASE] for 2½ minutes.

Mr. CASE of South Dakota. Mr. Chairman, I would like to speak a word in behalf of these Indians for whom these hearts have been bleeding this afternoon.

When I first came to Congress, Indians were not counted for purposes of congressional representation, because it had been held that they were not taxed. I started a movement to get Indians counted for purposes of congressional representation. As a result of that they were counted, and as a result of that, the States of Arizona and New Mexico each received an additional Congressman. But yet those States do not permit the Indians to vote.

Mr. HARLESS of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. No; I do not yield.

Mr. HARLESS of Arizona. Last week I filed a suit to get them the right to vote.

Mr. CASE of South Dakota. I do not yield. I hope this is not taken out of my time, Mr. Chairman.

One person in eight in my congressional district is an Indian. My State was told: "If you do not provide old-age assistance for your Indians, you will not get it for the rest of the people of South Dakota." So we told the Indians to come up to the table with the whites, and we gave them old-age assistance and aid to dependent children. The authorities came back and asked for liens upon the lands of the Indians, which I think is a violation of the Sioux treaty, but that is another matter which we cannot handle today.

Now, if there is any disgrace about this situation, it comes a little nearer home than Congress. The States of Arizona and New Mexico would come in here with better grace today if they permitted those Indians to vote. If they would share their old-age assistance and aid to dependent children with them as other Indian States do, it would be better.

Now the committee has provided \$200,000 in addition to what had already been provided. The needy are now getting some \$5 per head. The amount provided here allows \$10 a month in addition to what they are getting. In addition to that, they get the surplus commodities.

We have discussed with the representatives of the agencies before the committee the availability of potatoes, eggs, and dried fruits. It was the opinion of the committee that in view of the fact that we will have other deficiency bills when we come to the regular session, if we provide \$200,000 at this time while this matter is pending, it would take care

of the immediate situation and encourage the States of New Mexico and Arizona to do something toward giving these people old-age assistance and aid to dependent children such as other States have been required to provide for their Indian citizens.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

All time has expired.

The question is on the amendment offered by the gentleman from Arizona [Mr. HARLESS].

The question was taken; and on a division (demanded by Mr. HARLESS of Arizona) there were—ayes 112, noes 51.

So the amendment was agreed to.

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. BARTLETT: Page 6, line 24, after the sum, insert the following: "Alaska Native Service, for hospitalization of tuberculous Indians, Eskimos, and Aleuts at the Seward Sanitarium, operated by the Methodist Church, \$176,000."

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. I make the point of order, Mr. Chairman, that the amendment is not germane at this point in the bill.

The CHAIRMAN. Does the Delegate from Alaska desire to be heard on the point of order?

Mr. BARTLETT. No, Mr. Chairman.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. TABER. Yes. This amendment, Mr. Chairman, would be germane after line 4 on page 7, but not at this point. This is right in the middle of the Indian Affairs appropriation.

The CHAIRMAN. The Chair suggests that the delegate from Alaska present his amendment after the next paragraph has been read.

Mr. BARTLETT. Then, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the delegate from Alaska?

There was no objection.

The Clerk read as follows:

Advance to Navajo Tribe of Indians (tribal funds): For advance to the Navajo Tribe of Indians to reimburse the tribal sawmill enterprise for emergency relief expenditures, \$100,000, payable from funds held by the United States in trust for said Indians.

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: Page 7, after line 4, add a new paragraph, as follows:

"Alaska Native Service, for hospitalization of tuberculous Indians, Eskimos, and Aleuts at the Seward Sanitarium operated by the Methodist Church, \$176,000."

Mr. HARLESS of Arizona. Mr. Chairman, I wish to be heard on the amendment.

The CHAIRMAN. The Delegate from Alaska is recognized in support of his amendment.

(Mr. BARTLETT asked and was given permission to revise and extend his remarks.)

Mr. BARTLETT. Mr. Chairman, this amendment seeks \$176,000 for the saving of American lives—now. If there could be any subject of greater importance I do not know what it is. If this money is granted, hospital beds which are now unused will be filled and a few of the many Alaskans suffering from tuberculosis will not only be hospitalized but will be segregated so that they cannot spread the disease further.

There is no need here for a detailed account of the tuberculosis situation in Alaska. Members have heard about it in the past. They have heard about it on the floor. They have heard about it in committee. They have heard about it by correspondence. Many, indeed, have observed it at first hand in Alaska. A few have even inspected the institution where this money would be spent.

Under ordinary circumstances I should not offer the amendment in this bill. But the circumstances are not usual. Let me review the situation. During the war the Army constructed a hospital at Seward, Alaska. After the close of the war it was acquired by the Territory of Alaska and subsequently turned over by the Territory for operation by the Woman's Division of Christian Service of the Methodist Church. These Christian women raised a considerable sum of money for physical rehabilitation of the plant and for conversion of the facilities for use as a sanatorium. They anticipated a heavy early deficit and something of a deficit on a continuing basis, but they never expected the situation would reach the point it now has. After the sanatorium had been opened, patients were placed there by the Alaska Native Service, which is a division of the Federal Office of Indian Affairs, by the Territorial department of health and by the Veterans' Administration. There was sent to Congress last summer a budget request for this \$176,000. The House Appropriations Committee accepted the justification and ultimately the item was contained in the appropriations bill as passed by the House. However, it was deleted in the other body. The consequence was that the Alaska Native Service had to remove from the Seward sanatorium the Indian, Eskimo, and Aleut patients it had there. Only half or fewer of the beds in the hospital have been in use since then. The financial plight of the institution has grown so desperate that the women of the Methodist Church submit in all frankness that they cannot continue to bear the burden much longer unaided. And there is no reason why they should. It is a Federal responsibility to provide for the medical care of these native people. It would be anomalous, indeed, if the Seward sanatorium were forced to close. If it did, more than 100 beds of the less than 400 we now have in Alaska for the care of the tubercular would be gone. And this

at a time when everyone who has inquired into the matter knows that the need is for far more, not fewer, beds.

The highest cost of tuberculosis is measured in lives, not money.

Over 350 Alaskans will die from tuberculosis this year with 1 out of every 25 now infected with this dreadful malady. These statistics are tragically out of proportion to the incidence of the disease in the States when in Alaska it kills 10 times more persons than anywhere in the continental United States.

If an Alaskan contracts tuberculosis he is faced with the problem of finding a hospital bed. His chances for success are infinitesimal when the present supply shows 1 bed where 10 should be. Yet, in spite of the fact that a hospital bed is a common necessity in the fight against tuberculosis, together with the need for physical and mental rest, fresh air and nutritious food, we find in Alaska today something under 400 beds where 4,000 would not be too many.

And so you are now hearing an appeal from me—an appeal based on recognition of human values—an appeal touching upon our most important and vital health problem in Alaska today. Each fatal case of tuberculosis which is not recognized or treated before death will spread that disease to nine other persons during a lifetime. So little money will save so many lives. I ardently hope the Seward sanatorium may continue to operate and perform its life-saving functions in the fight to control tuberculosis in the Territory of Alaska and thus lower the truly alarming statistics on the disease which causes over 70 percent of the deaths from communicable diseases in Alaska.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. TABER. At this point, I think I might say that this item was included in the first supplemental appropriation bill by the House of Representatives but was thrown out by the Senate in conference. The Senate insisted on throwing it out.

The hearings that we had on the first supplemental appropriation bill seemed to justify it in the opinion of the committee and I would not at this point oppose it. I do not know how much the gentleman cares to be heard.

Mr. BARTLETT. I thank the gentleman. I do not care to be heard further in view of the statement of the chairman of the Committee on Appropriations.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield.

Mr. KEEFE. As one member of the committee, Mr. Chairman, may I say I was privileged to hear the testimony upon which the committee made the appropriation referred to by the gentleman from New York.

May I say that I think the appropriation was completely and amply justified and I intend to vote for it.

Mr. BARTLETT. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska [Mr. BARTLETT].

The amendment was agreed to.

Mr. HARLESS of Arizona. Mr. Chairman, I move to strike out the last word.

(Mr. HARLESS of Arizona asked and was given permission to revise and extend his remarks.)

Mr. HARLESS of Arizona. Mr. Chairman, I merely want to clear up one or two points that were brought out during the heat of debate awhile ago, and also at this time, I wish to thank the Republicans as well as the Democrats who helped put over this amendment which will result in saving lives and taking care of a suffering people on the Navajo and Hopi Indian Reservations. I saw many Members on both sides of the aisle respond to this appeal, and I say it is well done.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. HARLESS of Arizona. I yield to the gentleman from Arizona.

Mr. MURDOCK. Mr. Chairman, I sought recognition to make a correction. A mistake appears to have been made by the gentleman from South Dakota a moment ago when he spoke about the treatment of the Navajo Indians regarding their right to vote in Arizona and their social security standing. I state as a matter of law that the Navajo Indians and other Indians living off the reservation in Arizona do vote. They are permitted to vote. I know some of them who are registered and who vote. I also know that applications have been taken by social security for Indians off the reservation. It is only because they on the reservations are wards that they are not so considered entitled to these benefits.

Mr. HARLESS of Arizona. I thank the gentleman. In respect to the matter of voting, may I say that in 1928 the supreme court in my State did rule that Indians who were wards of the Government and living on reservations could not vote. I do not agree with that decision.

A week ago yesterday I filed in the superior court of Maricopa County, Ariz., a mandamus action requesting that all Indians who can qualify under our voting laws shall be entitled to vote. I sincerely hope I will prevail in that action. I have one veteran and one nonveteran as plaintiffs in that suit.

So far as social security is concerned, if this burden is foisted on to the State, that is, so far as the Indians who are now on reservations are concerned, who have been neglected for some 75 years and who have a right under treaties, it would bankrupt Arizona's social-security system. You can understand that they are depleted, they are all undernourished; most of them are sick. As I told you awhile ago, more than 40 percent of them have tuberculosis because of malnutrition.

I do not believe that any reasonable Member of this Congress would want their State or my State or any other State to assume this responsibility which is a responsibility of the Federal Government, not only by treaty but due to the fact that the Government drove those people off good land and put them on land which is worthless. I understand, also, that many of the Indians in my

State came from your respective States. They were driven to the far West because that was the last frontier in this country.

Mr. Chairman, I am just as anxious as you and everyone else that the standard of living of these people shall be raised up to a reasonable level, so that they can live like the other citizens in my State, so that we may be proud of them and that they will have all of the prerogatives and also some of the prosperity to which they are entitled.

Mr. CASE of South Dakota. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I would like to ask the gentleman from Arizona [Mr. MURDOCK] in order to keep the RECORD clear, a question with respect to the Indians who vote in his State. He said that the Indians off the reservation vote.

Mr. MURDOCK. Yes. Those living off the reservation may vote. There is a great deal of misinformation about that. The gentleman beside me here a moment ago asked: "Are Indians permitted to go off the reservation to work?" I explained that many Navajo Indians do live in towns off the reservation and do work, and during the war they worked extensively. The Indians who live at Phoenix or Tucson or Tempe, my town, wherever they might happen to live in Arizona off the reservation, may register and vote.

Mr. CASE of South Dakota. But how about those who live on the reservation?

Mr. MURDOCK. On the reservations they are wards of the Government and are not voters now in Arizona.

Mr. CASE of South Dakota. But they are counted for congressional apportionments today.

Mr. MURDOCK. Yes. They were so counted in the last decennial census. I want to recognize the good work that the gentleman from South Dakota did in 1939-40 to bring that about.

Mr. CASE of South Dakota. My feeling, of course, is that since the States of Arizona and New Mexico gained additional representatives by the counting of those Indians, that they ought to extend to the Indians the courtesy to vote whether they live on the reservation or not, and if the gentleman from Arizona [Mr. HARLESS] has instituted some action to make it possible for them to vote, I think it is a step in the right direction.

Certainly, in all justice, the States of Arizona and New Mexico should do their proper share in taking care of these needy people. The Sioux Indians, too, had a treaty which provided that their needy would be taken care of as long as they are in need, and the United States Supreme Court cited that pledge as the compensation for taking of their lands. Yet, in spite of that, when social security came along, they came under social security in the State of South Dakota, and we were told that if we did not provide for them the State would not get social security. On top of that, liens are taken upon their land to collect it back when they died. I, personally, do not believe in that, because I think under the treaty they were entitled to receive aid for the needy. And the Supreme Court has said

so but still liens are filed against their land the same as against the white man's land. But, Indians have voted in South Dakota since the Citizenship Act was passed back in 1924, and I think they should vote in the gentleman's own State. I think that the situation here would be helped if we do not go too far until you get that problem worked out.

The point I sought to make was that the money provided would take care of the emergency situation, and provide some funds, which along with what they are already getting and the surplus commodities would take care of them until the gentlemen could get that social-security problem worked out.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I take it from the statement of the gentleman that he thinks the gentleman from Arizona [Mr. HARLESS] and I, ought not to be in Congress. Let me remind the gentleman that when the Constitution was first adopted, they counted in the slaves to determine the proportion, and they did not vote. That has nothing to do with this question, as you will find if you read Madison's papers in the Federalist. There is a good distinction there made about that.

Mr. CASE of South Dakota. Of course, I do not think the gentleman is helping his argument too much in speaking about slaves.

Mr. MURDOCK. Mr. Chairman, if the gentleman will yield further, I think the gentleman did a fine piece of work in 1939 and 1940 in getting the Indians counted as a basis of representation, because they should be thus counted, for we were counting the inmates of the State prisons and other persons not citizens, and we were counting children under 21 years of age as a basis of representation in this body.

Mr. CASE of South Dakota. I hope the gentleman will promise us to do his best to see that the Indians do get the vote and that the Social Security Administration in his state provides for the Indians coming under it. If they voted today, I will venture the guess that the State would do something to meet its share of the responsibility.

Mr. MURDOCK. Let me remind the gentleman, to please keep in mind that one-tenth of the population in Arizona consists of Indians. They have gone along for years without schools. Sixteen thousand Navajo children of school age have no school to go to.

Mr. CASE of South Dakota. One to eight of the population in my district are Indians, to, so the proportion runs pretty high.

Mr. MURDOCK. Some gentlemen who think of Indians may be thinking of some who are one-sixteenth or one-thirty-second Indians. They are full-blooded Indians in my State, but they have not even been brought up to the stage of citizenship in education or health standards while they are wards of the Federal Government.

The Clerk read as follows:

BUREAU OF RECLAMATION
GENERAL FUND, CONSTRUCTION

Construction: For additional amounts for continuation of construction of the following projects, to remain available until expended, and to be subject to such limitations and restrictions as may be applicable to appropriations for such purposes in the Interior Department Appropriation Act, 1948, or other law, as follows:

Davis Dam project, Arizona-Nevada, \$2,800,000.

Colorado-Big Thompson project, Colorado, \$4,150,000.

Central Valley project, California: Joint facilities, \$1,273,600; irrigation facilities, \$8,771,600; power facilities, Shasta power plant, \$700,000, Keswick Dam, \$145,000, Keswick power plant, \$514,800; in all, \$11,405,000.

Columbia Basin project, Washington, \$13,584,000.

Mr. JACKSON of Washington. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. JACKSON of Washington. Mr. Chairman, I think the committee should be commended for its approval of the item in the sum of \$13,584,000 for the Columbia Basin project. During the recess the Interior Appropriation Subcommittee had an opportunity to see this great project in the State of Washington. I am sure that the members of the committee realize the importance of this project and the urgency of its early completion. Without these supplemental funds much of the construction work in the basin would soon come to an abrupt end. This would have proved costly to the Government. The action of the House today should go a long way in insuring the orderly completion of this work.

Mr. ROBSION. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

[Mr. ROBSION addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this appropriation, supplemental or deficiency, whatever you care to call it, has been brought about by the fact that these four projects which are mentioned in the bill have been carried on at a rate faster than was anticipated originally when Congress made the appropriation last year. The facts are, of course, that the appropriations were reduced considerably on these four projects as well as on a number of other projects, but with the exception of these four projects, we are informed by the Reclamation Bureau officials, in most cases, at least, the appropriations we made are sufficient to carry on during the remainder of the fiscal year. There may be an exception or two such as the Anderson Ranch project in southern Idaho.

I will take these projects up in order:

On page 9 of the committee report, at the bottom of the page, you will see that we have recommended for the Davis Dam project a supplemental appropriation of \$2,800,000, which is the amount requested by the Budget estimate. That amount is necessary, according to the Bureau of Reclamation, to carry on the construction of the Davis Dam, due to the fact that the foundation of the dam, the under strata, was discovered to be full of cracks and fissures, to the extent that they had to spend \$5,000,000 to fill those fissures by grouting. So it is necessary in order to carry on that work to appropriate this money at this time.

I might say that the purpose of the Davis Dam is to live up to the treaty we have with Mexico. There is no irrigation involved. There is hydroelectric power, and, of course, some of that power will be used to pump water onto certain lands from other projects.

The work on the Colorado-Big Thompson project has gone on at a more rapid rate than they had expected. Of course, they have had unusually good weather and a late fall. This project is under construction now. The main part of it was a tunnel which was dug under a mountain, 13 miles long, to take water from the west side, where there was a plentiful supply, over to the east side, and to apply that water to a rich valley there of about 35,000 acres, for a supplemental supply of water. Unless this \$4,150,000 is appropriated now, we are told, the work will stop. It is a very important project, and, I think a very worth-while one.

The next item is the Central Valley project of California. The Bureau of Reclamation requested \$15,000,000 in this deficiency estimate. The Bureau of the Budget reduced that to \$10,700,000. We had quite extended hearings, that is, we worked 2 days on this budget from early morning until late at night, and secured all the information we could. We found out what the Bureau of Reclamation had requested of the Budget Bureau, and their justifications for their request of \$15,000,000. We took it up item for item. I can assure you that we got the information to a much better extent than we ever have received information from the Bureau of Reclamation before. Last year the Bureau of Reclamation requested \$49,000,000 for the Central Valley project. That was reduced by the Bureau of the Budget to \$20,000,000. When Congress finally got through appropriating and through conference and became law, we gave them \$9,141,288. We were told at the outset of the hearings last year or this spring that they had a carry-over of a little over \$17,000,000.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. We discovered later that they had a carry-over of something like \$22,000,000. Then a month or two

ago we discovered they had a carry-over of nearly \$27,000,000, and perhaps if we look again they might have a carry-over of \$30,000,000 or \$35,000,000—we do not know.

We had the Bureau of the Budget before the Joint Subcommittees on Appropriations for the Interior Department of the House and Senate about 2 weeks ago and we asked them why they did not apportion this money for the Bureau of Reclamation on a quarterly basis so they would not run out of money. They said, "Well, we could only do a half-baked job. We tried to do it, but could not get the information and know just what the figures were from the department." In other words, they did not have much to go on, so they said that they could only do a half-baked job. The committee increased the amount which the Bureau of the Budget allowed for Central Valley by \$705,000. The Bureau of the Budget had cut out money for canal work on the Delta-Mendota Canal and the Friant-Kern Canal. The construction on those two canals has been going on the basis of "giddup" and "whoa" as Mike Straus said, like most everything else in the Bureau. They just have not been getting the job done. Last year both the Senate and House Committee and this Congress said, "Get busy on these irrigation projects and try to get something done. Try to get some water on the land out there." The Central Valley program has been going on for 10 years, yet scarcely a drop of water has been put on a single speck of land. So we took out this force-account business, where they go out and hire every Tom, Dick, and Harry and run the jobs with hired help instead of under a contract. So we have in effect a provision that no more force-account work shall be performed unless in an emergency. Consequently those contractors took those jobs and went to work and got the job done in about half the time and for a great deal less money than they used to do it by force account. We have been brought to this condition where the money has run out because of the facts as I have stated them. We feel that it is right and proper that the canal works should go on so that they will be ready to accept the water and be able to get that water on the land by the time the pumping stations and the rest of the facilities are ready.

The next project is the Columbia Basin project in Washington. The Reclamation Service asked for \$15,000,000. The Bureau of the Budget cut that down to \$11,725,000, and we raised it to \$13,584,000.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. JENSEN. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. JENSEN. We increased that request by \$1,859,000 for this very good reason: We said to the Interior Department, "Get those three generators in at Grand Coulee and get them going so that you can get that power out over the

line"; but the Bureau of the Budget cut out the related facilities such as switchboards, tailraces, and things like that, that would make it possible to get that power out over the line at the time the generators were installed.

Mr. Banks, the director, the man who built Grand Coulee, one of the greatest engineers that ever lived, testified that if we did not allow this additional appropriation, those generators would sit there idle for 6 months and that each of them produced \$5,000 worth of power per day, three of them \$15,000 worth, or in 6 months it would amount to \$2,730,000 that we would lose in revenue if we did not appropriate the amount we have appropriated for power facilities.

That is penny-wise and pound-foolish. It is poor business. I do not want to spend any more money than is necessary, but certainly you cannot justify that kind of business. You cannot justify selling an automobile or a truck to a man that he needs to support his family if you cannot give him wheels for that truck until 6 months after the truck is delivered.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. JENSEN] has again expired.

Mr. TABER. Mr. Chairman, I wonder if we cannot come to some agreement to close debate on this matter.

I suggest that all debate close in 15 minutes.

Mr. NORRELL. Mr. Chairman, reserving the right to object, I would like 5 minutes.

Mr. KIRWAN. I would like to have 10 minutes.

Mr. TABER. Well, I would not object, but it seems to me we ought to get through here sometime.

Mr. CANNON of Missouri. We would like to have 10 minutes for the gentleman from Ohio [Mr. KIRWAN], a member of the committee.

Mr. TABER. Then, the gentleman had better take it now, and we will close debate later.

The CHAIRMAN. The gentleman from Ohio [Mr. KIRWAN] is recognized.

Mr. CANNON. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KIRWAN. Mr. Chairman, along with what the gentleman from Tennessee [Mr. JENNINGS] said, the records show there were more Indians enlisted in the United States Army than from any other race in the United States. For no other reason, I am glad that we came to their rescue today, and I am very glad that we are going to offer relief to Europe and to America.

On April 21 of this year there came into the House what is known as the Interior Department appropriation bill. The Bureau of the Budget asked for \$295,000,000 to carry on the work of reclamation, forestation, hospitalization, and everything connected with that Department, because every dollar in that bill was to be spent in the United States. This House cut that Budget request from

\$295,000,000 to \$156,000,000. Whatever the commentators, comedians, and columnists say about Congress, I hope they will never accuse them of being good businessmen. I repeat, I hope they never accuse us of being a good business group or good businessmen, because after having cut the Budget estimate 6 months ago from \$295,000,000 to \$156,000,000, here we are today asking for more money to carry on the projects we cut.

Let us look at the record. The kids who carried the guns to save us in the last war are the young men who were working on these projects. They hauled their wives and families there and lived in trailers and work camps, working to complete these projects. What do we find? We find here the week before Christmas they are all out of jobs and that there are no funds to carry on. I doubt if in the history of this or any Congress there was ever a greater blunder than the one made 6 months ago when the Interior bill was cut from \$295,000,000 down to \$156,000,000. What does that do to the contractors? Some of those contracts were let as long as 8 years ago, not just now. Millions of dollars are tied up in the contractor's machinery now idle on those jobs. He has got to go out now and try to find a new force to carry on the work, for the old force, the men who had their families and children living in work camps and trailers, are scattered to the four winds. The cost to the taxpayers is increased by the fact that they have to pay rental on empty buildings and idle equipment leased by the Government.

I again repeat that when we look at this project we find that the deficiency sum here provided is equal to the money the Budget Bureau asked for originally. I think it is a disgrace that we cut the projects the way we did for we find ourselves here 6 months later asking for that money to carry on when all the projects have been damaged through the running out of funds we failed to supply and when the working force on those projects has been dispersed and the men find themselves out of jobs 1 week before Christmas.

It was my privilege to visit Yellowstone Park this summer. While I was there seven people drowned. I finally sent for one of the rangers who police the park. I asked him why he did not assist and try to help save lives. He said "We have not got one rowboat" and that in a park that taxpayers pay \$3 as an entrance fee. The Park Service appropriation was cut to pieces. Yellowstone Park is 75 years old, it has been under Government supervision for 75 years, in fact its seventy-fifth anniversary was celebrated this year. Fourteen percent of all the people who visited Yellowstone Park during these 75 years again went there this year, yet Congress cut the park service appropriation in half.

Is that to be considered good business or good judgment?

One of the biggest businesses in this country is oil, a business in which many billions of dollars are invested. But when we came here and asked for a few million dollars to drill test wells and get

information they cut it down to \$300,000. We are producing 5,500,000 barrels of oil daily in this country, but we are consuming 5,700,000 barrels. Right today in America we are 200,000 barrels shy in our production, yet we would not grant a few dollars to provide for stripper wells to produce more oil which would then not necessitate gas rationing.

I want to pay tribute to the gentleman from Oregon [Mr. STOCKMAN]. He wanted to make a 20-percent over-all cut and then make a study to see just where the cut should be applied, but he was voted down and the cut was much deeper. When the year's operations are all added up it will be found that despite the heavy cuts that were made the final over-all saving will be much less than 20 percent, and that with all this disruption I have spoken of.

Members of the appropriations and other committees have visited Alaska. The suffering found amongst the Indians and the whites, but especially the Indians, is unbelievable. It seems that we cut appropriations for Alaska and we cut appropriations for everything in this country that we can think of, but we do not cut a dime that is to go to any foreign country. Instead of the Interior bill being a billion dollars this year, and God knows we could spend ten billions in America we would not even spend the \$295,000,000 that was asked for to improve the greatest country on earth. No; there is something wrong. When we stop and think what we did, when we do not go over our country and find out more about America, what is going on in it, we are making a big mistake. When the Interior appropriation bill again comes to the floor I hope that the Members of the House and the committee will give more consideration to the recommendations of the Budget Bureau and officials of the Interior Department, who know of the conditions and needs.

Mr. TABER. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. HOLIFIELD. Mr. Chairman, I object.

Mr. TABER. Mr. Chairman, I move that all debate on the pending paragraph and all amendments thereto close in 10 minutes.

The question was taken; and on a division (demanded by Mr. HOLIFIELD and Mr. NORRELL) there were—ayes 98, noes 46.

So the motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HOLIFIELD].

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

THE REPUBLICANS READJUST THEIR MANDATE

Mr. HOLIFIELD. Mr. Chairman, I am in full support of the restored funds in this section of the bill.

We are faced today with a remarkable spectacle. The Republican-controlled Appropriations Committee, with loud

cries of "economy," "eliminate the bureaucrats," and "save the American taxpayers," marched up the hill last spring cutting and slashing vital western reclamation projects. One has but to look at the RECORD of the debate on April 24 and 25, 1947, to realize the ridiculous spectacle which is now presented. During the period of that debate, we find that a few members of the California delegation opposed the drastic cuts which were made on the projects within our State. However, the Republican-controlled House was successful in slashing, for instance, the \$20,000,000 Central Valley appropriation to \$6,900,000, or a slash of 65 percent.

It is interesting to note that on a motion to recommit with instructions to raise this amount to \$13,100,000, every Democrat in the California delegation voted for the increase. Three Republicans voted with the 8 Democrats. The other 12 Republicans voted against the motion which would have restored these vitally needed reclamation funds.

During the debate on April 25 of this year, I made this statement:

I want to say this to the Republican Party that is crucifying the reclamation projects in the 17 Western States: Mr. Chairman, in November 1948, your "mandate" is going to be showing. Do not look now, but your "mandate" is going to be showing when you go into those western places and try to send some of your people on that side back here. I think it is more important that they come back, as well as the Democrats come back from the West, than to have these reclamation projects defeated. I would rather have reclamation and all of the Republican Members from Washington, Oregon, California, Utah, and the other Western States come back, than to see your Republican Members defeated and see us fail to get reclamation.

Now, ladies and gentlemen of the House, we see the results of the lack of vision on the part of the Republican leadership. We see the cuts they made last spring restored. Why are these cuts restored? Well, in the first place, the budget as presented in President Truman's recommendation was based on the needs of the people's projects in the area affected. The amounts involved represented the minimum needs of the projects. Time and evidence have justified the amounts requested, and we see the Republican Party marching down the hill in abject defeat before the strong and factual realities of the situation.

Why have they been forced to repudiate their former position? There is only one answer. Their former position became untenable in view of the facts which have developed according to the prediction which Members, including myself, made at that time.

I, too, realize there will be a political campaign next year and I hope the 12 Republicans from the State of California who voted against the reclamation needs of the State of California in April, will now reverse their former position and vote to sustain the reinstatement of these funds.

I prophesy that the people in California and other Western States will realize that this restoration is being made because of the lack of vision of the Republican leadership and with an

eye to political expediency. It seems that the Republican Members have heard from home. I compliment them on their attempt today to readjust, along the lines of Democratic recommendations, the mandate they claimed they had received from the people.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. NORRELL].

Mr. NORRELL. Mr. Chairman, I cannot cover the subject in a minute and a quarter, so I yield back the balance of my time.

[Mr. ANGELL addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, we of the West like the thorough and sincere way that the Subcommittee on Interior Appropriations last summer went about the business of finding out the facts about western reclamation.

Mr. Chairman, I am asking only a very brief period at this time to call the attention to the Members of this body to a concurrent resolution which I introduced yesterday, House Concurrent Resolution 123, the aim of which is to bring to an end, once and for all, the kind of difficulties we have been experiencing with regard to the bookkeeping in some of our major Federal agencies. I believe it will be helpful to the gentleman from Iowa, Chairman JENSEN, in the work which he and his subcommittee so ably began last summer.

I am asking my colleagues at this time to adopt a policy requiring an audit, or pay out test, to be applied annually to every project of a public works nature which has been authorized on a reimbursable basis. By the adoption of such a policy, we can force the Federal agencies concerned to keep business-like books which will stand up to public scrutiny. We shall also be able to determine each year, without recourse to investigations or partisan wrangling, whether the money of the taxpayers which the Congress in good faith is investing in these extremely worth while projects is actually being used in such a way as to protect the investors.

We have gone through a period of several years, Mr. Chairman, when those who sought to oppose the development particularly of reclamation and multiple-purpose projects in the West have based a large part of their argument on claims that the money put into them actually never would be repaid. These arguments forced a major issue in the fights over appropriations for western development projects in the 1945 and 1946 sessions and again this year.

In the face of these arguments, I proposed nearly three years ago that the Congress call for an independent audit of such projects as the Columbia Basin-Bonneville, to determine whether the rates charged for power and irrigation were adequate to cover the costs of repayment within the time specified in the acts of Congress authorizing their construction. That proposal was ignored and the arguments went on.

To settle the matter regarding the Columbia-Bonneville system, I asked the Secretary of the Interior to have a pay out test made on those projects. The report, made by me on the floor of the House on February 12, 1946, set forth for the first time a comprehensive statement by an independent accounting firm on this subject. That report vindicated the correctness of the rate charged for Federally-produced power in the Pacific Northwest and remained unchallenged for more than a year.

On April 30 of this year, during the discussion of funds for the 1948 fiscal year, I reported to the House the figures from a supplemental study made to bring the pay out test up to date. It indicated that revenues from Columbia River power were coming in at a rate which, over the repayment period, would pile up a surplus of some \$190,000,000 in the Federal Treasury.

Throughout all this time, I have been deeply disappointed that no effort had been made to apply this same test to other projects of similar nature. I am very pleased that the Appropriations Committee, under the wise direction of its chairman, the gentleman from New York [Mr. TABER], has during the past few months been conducting an audit of the books of the Bonneville Power Administration, the TVA, and the many reclamation projects in the West. Whatever the outcome of this audit, it cannot be other than beneficial in the long run to the people whose income will repay the Federal investments made in their future.

Now, Mr. Chairman, I am formally asking this Congress to adopt the technique proposed by me 3 years ago and being used by the Appropriations Committee today as the permanent policy regarding all reimbursable projects. I think the Nation deserves to know, each year, how we stand. I know the gentleman from Iowa, Chairman JENSEN, intends that we should know just that—and I, for one, intend to do everything I can to assist.

(Mr. HORAN asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentlewoman from California [Mrs. DOUGLAS].

Mrs. DOUGLAS. Mr. Chairman, I wish to compliment the subcommittee of the Committee on Appropriations on its decision to restore the funds that it cut from the Interior Department appropriation.

The voice of our own people is still strong, and I am glad that it has finally reached Washington. Of course we must not forget that we are very near elections.

Sound economy is to be desired in government and in business. But it is hardly economy to force the Interior Department to shut down on authorized engineering projects because Congress has failed to appropriate enough money. This is not economy. This is political chicanery.

It is hardly economy to legislate in such a way that the productive growth of this country is crippled. No, it is not

economy; it is short-sighted and wicked, for it affects the livelihood and well-being of the American people.

The West was dealt a severe blow when the Committee on Appropriations of this House in the name of economy saw fit to cut the President's budget for the Interior Department from \$295,000,000 to \$150,000,000. Today the Republican leadership of the House has recognized that the cut for the Interior Department was false economy. The Republicans propose now not only to give what the President asked but to give more than he asked. But why the extra money? Have the Republicans abandoned their economy plant—or is this money to pay for the extra cost entailed in having to shut down? This is a day long to be remembered.

A few of us from the West warned when this cut was forced through by the Republicans last year that the appropriation then made was wholly inadequate and that it would force a shut-down of work before the year was over.

We pointed out it would cost more money to stop work and then begin again than to continue in a systematic, orderly way to finish the work that this Congress had authorized.

Well, what we predicted has come to pass. The Interior Department has run out of money to carry on work and has been forced to notify contractors that work must stop.

Let us review the record. You will remember that an amendment was offered by the Democrats to bring the appropriation of the Interior Department up to the figure asked for by the President. The amendment was defeated by a vote of 197 to 140.

Of the 197 who voted against necessary funds to continue authorized construction, 185 were Republican votes—11 were Democratic.

Of those voting for the funds, 130 were Democrats—only 9 were Republicans.

In other words, 9 Republican Congressmen in the entire country voted correctly in the all-important matter of Interior Department appropriations.

The story in California is equally unattractive for the Republicans of the State. There were 11 votes cast by California Congressmen for the funds—8 of those votes were by Democrats. There were 10 votes cast by the California Congressmen against the funds—all 10 votes were Republican.

I am glad the people's voice was loud enough to make the Republicans now see the error of their ways—a little late but better late than never.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. JOHNSON].

(Mr. JOHNSON of California asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of California. Mr. Chairman, I want to compliment the committee on looking the situation in the face in regard to the Central Valley project and giving it an additional appropriation so the work of that great project can go on. This is not a partisan political problem, this is a business problem, a Government business problem. You

have invested over \$200,000,000 in this great project, and until you get it finished you will get very little, if any, money back. Therefore, to recoup our original investment and the interest on our bonds we should rush this thing through to completion.

There was no great roar in California against the cutting of this appropriation. I live right in the middle of this project. I heard very little of it from individuals, but the leadership we follow out there, and that I hope Congress will follow, is the leadership of our governor. He came here and asked for \$40,000,000 to accelerate the completion of this great project.

I hope this is only a beginning of what we are going to keep doing every year until we get this great project completed. We should have it done in 5 years. I again compliment the committee on giving us this additional amount of money.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. GEARHART.]

Mr. GEARHART. Mr. Chairman, though the time allotted is woefully insufficient to adequately discuss the construction problems of the Central Valley project I think that the sound business judgment which the appropriation Committee has displayed toward public expenditures constitutes a demonstration which will add to the confidence of the people in the Congress of the United States.

When we of the new majority assumed control of the legislative branch of the Congress it was announced that nothing would be appropriated from the Treasury the necessity for which could not be established in advance as necessary. In other words, the happy day of blind appropriations was over. The people were at the same time assured that additional appropriations of construction funds would be forthcoming as they were shown to be needed. Through there are some who are straining themselves to make political capital out of this, I am sure that it is just this sort of hard-shell business procedure the people elected the new majority to get. Now that the Central Valley project has reached the point where additional funds are needed the Congress, in accordance with its assurances heretofore given, now supplies it.

In line with this demonstration of sound business principles, I think we can look forward with confidence to the additional appropriations as their necessity is made to appear by competent and convincing evidence. We can look forward to the completion of the Central Valley project on a time schedule that will be limited only by the speed with which the contractors can perform their responsibilities. This has been a congressional demonstration of sound business and sound economy in respect to a public enterprise of great importance which will tend to restore confidence in public administration and in our representative form of government. I congratulate the committee on its splendid service to our country; upon its diligence and the promptness with which it has acted.

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

TITLE II

GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not, contrary to the provisions of this section, engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

Mr. NORRELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I regret very much that there was an effort made this afternoon to cut debate after one Member had had 12 minutes without objection on the Democratic side.

I must admit that I am in a state of confusion. I followed the Republican leadership on my subcommittee, men in whom I have the greatest of confidence, last spring. They cut the budget that had been submitted by the President of the United States, a member of my party, very drastically. I went along with them. I thought they were contributing to the campaign promises made last year and that we were making a contribution to the saving of \$6,000,000,000 or \$4,500,000,000 this year. When we met in this full session the President submitted a budget that simply restored, if enacted into law, the cuts that we made last year. We are still under the administration of the majority of the Republicans on this committee. Now we come in here with my good friends recommending to you not only that you restore all the cuts that were made last year—and, by the way, that may be proper; I do not know—but they go the Democrats one better and say, "Let us not only appropriate the amount of money the President has recommended, which was the amount that he recommended last spring, but let us go the Democrats one better, let us appropriate in excess of the budget estimate." So this subcommittee recommended one thing last spring and an-

other now. I am in a state of confusion. I am not going to offer any amendment. I am sure they are trying to do the right thing. I am sure there is no politics involved. I am certain that the shadows of the November election are not beginning to hover this early over Capitol Hill. I am certain they are trying to reduce the budget and have no interest whatsoever in politics.

But I want to say that if I am going to follow the leadership of the committee, I want that committee to be consistent. I do not want to exceed the speed limit in reverse, and that is exactly what my subcommittee is doing at this time. I go along with the budget estimate. My objection is to going above the budget estimate. That is something we have not done since I have been a member of the committee except on one or two occasions.

Mr. Chairman, I believe the people of the United States want economy. I believe these western States do also. I believe they are entitled to the money they ought to have—I want to give it to them. But I do not want a single project to go without adequate funds. I do not believe that the votes of the western States are on the auction block. I do not believe you can compete in the matter of appropriations in order to get votes. They are good men and good women. I know that the people of the United States want sound, sensible procedure on the part of the Congress. If you can justify one thing in January and another in August, I admit frankly that I cannot go along with you. I had quite a speech to make on this occasion, but I was cut out of my time, but I want to say I am reminded of what the poet said: "Oh, consistency, thou art a jewel."

Mr. TABER. Mr. Chairman, I move that debate on this paragraph and all amendments thereto do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 202. This act may be cited as the Third Supplemental Appropriation Act, 1948.

Mr. GORE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since we have started discussing the particular item in the bill which represents such a chameleonic change of face by the Republican leadership, it has suddenly become rather difficult to obtain recognition and time in which to speak. You know as a student of Shakespeare quite some time ago, I memorized some of that great bard's works, and as I witnessed this performance on reclamation I remembered something he had his Hamlet say: "Confess yourself to Heaven; repent what's past; avoid what is to come"—if you can.

I am sure my colleagues remember how like the gushing March wind and with what certainty and dispatch our esteemed Republican leaders of the Congress last winter and spring were going to slash blindly and reduce the budget by \$6,000,000,000 in the legislative budget resolution. There was no room for compromise, not even with another body of Congress that concluded the reduction might be just a few dollars less than 6,000,000,000. Six billion it must be.

With that predetermined course in mind, they equipped themselves with ear muffs so that they could hear only what they wanted to hear and with glasses so colored that they could see only what they desired to see, and with a well-oiled steam roller to flatten out and brush aside all pleas of need, all pleas of justification, all reason and sound business practice. False economy seemed to have no appeal or meaning.

With this unreasoned eastern Republican attitude prevailing we of the appropriation committee began consideration of national problems and national needs for appropriated funds, reclamation projects of the West, now before us again, one of them.

I was and now am a member of the Interior Subcommittee that considered this problem. We had exhaustive hearings and began to give careful consideration to the amounts needed for economical continuation of the great projects so vital to western development and our national welfare. But a most unusual thing happened. The committee that heard the evidence was not allowed to write the bill. Indeed, the distinguished gentleman from Oregon [Mr. STOCKMAN], a member of the subcommittee said in debate here on last April 24:

The bill before you today is not a report of the majority of the committee.

And then the able gentleman from Oregon related how it was that he was threatened with the presence and nullifying action of a distinguished gentleman of the eastern Republican high command whom the gentleman from Oregon characterized as "the big bad wolf." Despite this disclosure of the lack of consideration of these projects and programs on merit, the Congress proceeded to seriously cripple most all of these great undertakings.

People of the West pleaded for better treatment. We here in Congress spoke and spoke against such short-sighted, false economy. But I seem to remember that when these pleas and warnings finally permeated the ear plugs they were characterized as "the squealing of a stuck pig."

Now we are beginning to see some of the real results the economy drive had on reclamation. Work on the Friant-Kern Canal and on Shasta Dam of the Central Valley project has already shut down because they was not enough money to continue work on contracts already in effect. Funds for other vital units of this project, including the Delta-Mendota Canal and the Tracy pumping plant, are running out and the work will have to shut down if more is not readily made available. Many force account workers on the Columbia Basin project have been laid off and with all of the stretching out the Bureau of Reclamation could legally do without incurring risk of damage suits from the contractors substantially the entire job will shut down by February 1 for lack of money. The work on Davis Dam cannot be stretched beyond May 1, and the Colorado-Big Thompson project will be out of funds by about March 1.

The American taxpayer can credit against the Republican economy program

the additional costs it will take to protect this work while idle, to get it started up again after being shut down, and the losses in power revenues, food, fiber, and farm income that will be incurred by the delay in realizing reclamation benefits. The farmers and power users will also see this Republican brand of false economy and efficiency reflected in higher repayment costs.

My Republican friends cannot say that they were not warned that projects would be stopped. The facts were plainly and fully laid before this Congress. We warned, for instance, that if the Central Valley project was cut from the budget recommendation of \$20,000,000 to \$6,000,000 or \$9,000,000, work on this worth-while project would be stopped. But it remained to be demonstrated once again that one thorn of experience is worth a whole wilderness of warning. Now that projects have been stopped, now that men are out of work, now that contractor's labor forces have been disbursed and it will cost money to reassemble them, the same leadership brings forth a bill not only to undo what they did but to appropriate more money than the budget requested, and the President is now accused by my distinguished and fine friend the gentleman from Iowa [Mr. JENSEN], the able chairman of the subcommittee, of cutting too deeply. The distinguished gentleman from Iowa now says, on the record, that the President of the United States is too strong for economy.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. GORE. I will be delighted to yield always to my distinguished friend, for whom I have the warmest affection.

Mr. JENSEN. I imagine your President will come in with a budget request next year, for the fiscal year 1949, asking that the same 2,000,000 administrators or personnel be left on the pay roll of the American people. That is exactly where the President and I are going to have a falling out, because I am going to tell you right now that if I have my way we are going to cut and cut deep on that thing, and see that we do not have a lot of no-goods, long hairs, and Socialists stuck on the pay roll of the American people.

Mr. GORE. The gentleman now says he is going to cut and cut deep. That is exactly what was done last April when you were in here with your appropriation bill, and now the gentleman and his leadership comes in, right-about face, with the gentleman leading the procession, not only undoing what they did, but going the President one better and appropriating more money than is requested. Who is for economy now? Who are the spenders now?

Mr. JENSEN. Will the gentleman yield?

Mr. GORE. Of course I will yield. If the gentleman will explain his position, I will yield him all my time.

Mr. JENSEN. I will be glad to explain. I know the gentleman is a most charitable soul.

Mr. GORE. I hope I am. I sympathize with the gentleman in his discomfiture.

Mr. JENSEN. Is not the proper thing to do, when you feel that you have possibly made a mistake, to correct that mistake? Is that not the gentlemanly thing to do?

Mr. GORE. I am delighted to have the confession of the gentleman. Of course, it is better to be right late than never at all. But the quality of leadership that this country needs is wise before the event rather than after. Hind-sight is the most plentiful commodity around here, and it has not even been affected by inflation. What the country needs is more foresight to avoid debacles like this Congress made of reclamation, irrigation, and power projects of the West.

Mr. Chairman, this bill, in fact, represents the first of a long parade of bills by which the Republicans will steadily reduce their reductions of the budget. Having gone up the hill, they are now coming back down. What will the American people make of all this?

Mr. TABER. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in 3 minutes.

The motion was agreed to.

Mr. TABER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, we have been accused of going up the hill and going down the hill, but they did not tell us that we did not go all the way down the hill. There is still a \$68,000,000 saving on unnecessary expenses in that Department of the Interior, after the revisions that have been made as a result of the report of the committee. Sixty-eight million dollars of savings left, and that is going down the hill. Oh, I guess the gentleman will find out that most of the savings we have made will hold, and we will hold them. I believe that when we get all through the people will be satisfied that not only have we done a good job and provided for the things that ought to be provided for, but we have cut out unnecessary waste, and that is what we are going to do.

The CHAIRMAN. The time of the gentleman from New York has expired.

All time has expired.

Mr. TABER. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with certain amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HARNES of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

Mr. TABER. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. RANKIN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Does any Member on the minority side of the committee desire to offer a motion to recommit?

Is the gentleman from Mississippi opposed to the bill?

Mr. RANKIN. I am opposed to the bill in its present form.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RANKIN moves to recommit the bill to the Committee on Appropriations with instructions to report the same back forthwith with the following amendment: On page 5, after line 16, insert a new section to read as follows:

"There is hereby appropriated out of any money in the Treasury not otherwise appropriated for the fiscal year ending June 30, 1948, the sum of \$150,000,000 to enable the Secretary of Agriculture to carry out the provisions of the Rural Electrification Act of 1936, as amended, such sum to be in addition to amounts otherwise appropriated for such fiscal year."

Mr. TABER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. RANKIN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. Twenty-eight Members have risen, not a sufficient number.

Mr. RANKIN. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 55, noes 167.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 157. Joint resolution to provide for the regulation of consumer installment credit for a temporary period.

HOUSE RESOLUTION 403

Mr. BROWN of Ohio, from the Committee on Rules, reported the following privileged resolution (H. Res. 403, Rept. No. 1221), which was referred to the House Calendar and ordered to be printed:

Whereas the continued prevalence of conspiratorial or other questionable practices seriously undermine and threaten the national economy of the United States; and

Whereas prices have been inflated and procurement of materials interfered with, by conspiratorial or other questionable practices to a point where public works of all

kinds have been made exorbitantly expensive and, therefore, practically impossible economically; and

Whereas further authorization of public works by the Congress will be devastatingly retarded if not prevented altogether unless these iniquitous operations and practices can be stopped; and

Whereas it is obvious that unless these flagrant malpractices are eliminated no proper public-works program can be achieved nor can a stable economy be maintained throughout the United States and its possessions: Now, therefore, be it

Resolved, That the Public Works Committee, or any subcommittee thereof, is authorized and directed to make a study of conspiratorial or other questionable practices and to search exhaustively into the sources and causes of these destructive tendencies induced by conspiratorial or other questionable practices, with a view to reporting as speedily as possible not only their findings but their recommendations for the enactment of measures calculated to eliminate these opprobrious, destructive, and baneful practices. For the purpose of making such investigations the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

And to amend the title so as to read: "To authorize and direct the Public Works Committee, or any subcommittee thereof, to make a study of conspiratorial or other questionable practices."

EXTENSION OF REMARKS

Mr. HART asked and was given permission to extend his remarks in the RECORD and include an address delivered by Senator LUCAS.

PERMISSION TO ADDRESS THE HOUSE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

INVESTIGATION OF SPECULATION IN GRAIN MARKET

Mr. McCORMACK. Mr. Speaker, I notice in the resolution, House Resolution 404, reported today—I assume it will come up tomorrow—it provides for a wide investigation, but the provisions of the resolution, in my opinion, do not meet the situation with reference to authorizing the Secretary of Agriculture to make public the names of those he has in his possession who have engaged in speculation in the grain market. It is important that all names should be made public.

The American public is entitled to know all the facts in this matter rather than being given only a detached part of the picture. I shall support this resolution tomorrow but I call attention to the fact that this resolution does not authorize the special committee that

DIGEST OF CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

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80th-1st, No. 167

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HIGHLIGHTS: Senate passed Taft inflation-control bill with amendments. Senate passed measure authorizing USDA to make public information re commodity speculators; inserted Solicitor's opinion, etc. Supplemental appropriation bill to be debated in Senate today. House Rules Committee cleared Taft anti-inflation bill. House passed measure to investigate commodity speculation; inserted Secretary's Dec. 18 statement to Appropriations Committee. House committee reported fur-farmer loans measure. Sen. Bushfield and Rep. Case submitted resolutions for use of surplus eggs in foreign relief. Rep. Rees introduced and discussed measure to prohibit for 1 year use of grain for liquor. Sen. Fulbright introduced and discussed bill to repeal oleomargarine tax.

SENATE

1. INFLATION CONTROL. Passed, 77-10, with amendments S. J. Res. 167, the Taft anti-inflation bill (pp. 11698-711, 11722-34).

Agreed to the following amendments:

By Sen. Barkley, Ky., to authorize CCC "to carry out projects to stimulate and increase the production of foods, agricultural commodities, and products thereof, in non-European foreign countries. Such projects may include procurement, the making of advances and price guaranties, the furnishing of technical information and assistance, the furnishing of seed, fertilizer, machinery, equipment and other materials, and such other actions as are necessary or incident to the carrying out of such projects: Provided, That any such program is first submitted to Congress by the Secretary of Agriculture, and is not disapproved by concurrent resolution of Congress within 60 days thereafter." (pp. 11723-4.) Sen. Taft, Ohio, took the position that such a program is already authorized but said he had no objection to the amendment if there is doubt on this point (p. 11724).

By Sen. Barkley, to provide for a food-feed conservation program, authorizing the President, "through the dissemination of information, educational and other campaigns, the furnishing of assistance, and such other measures as he deems necessary or appropriate, to encourage and promote the efficient utilization, care, and preservation of food and feed, the elimination of practices which waste food and feed, the control and eradication of insects and rodents, the consumption of less of these

foods and feeds which are in short supply and more of those foods and feeds which are in abundant supply, and other conservation practices," providing that the program may be carried on through such agencies as the President may determine, authorizing appropriations for the program, and providing that for the remainder of the fiscal year 1948 "there is hereby made available not to exceed \$1,000,000 from any funds made available by the Congress for carrying out Public Law 84, Eightieth Congress, or from any funds made available by the Congress for interim foreign aid. (pp. 11724-5.) However, just before agreeing to this amendment, the Senate agreed to a modification proposed by Sen. Knowland, Calif., to change "such other measures" to read "such other voluntary and cooperative measures" (pp. 11724-5).

By Sen. Flanders, Vt., (for himself and Sen. Baldwin, Conn.) to provide that, if the President finds that critical shortages of any raw materials exist, he shall give Congress complete information and recommendations on the matter, and the Joint Committee on the Economic Report shall promptly hold hearings on the matter and make recommendations to Congress (pp. 11725-31).

Rejected the following amendments by Sen. Barkley, Ky.:

To strike out Sec. 2, regarding voluntary agreements, by a 42-44 vote. However, the Senate agreed to a perfecting amendment by Sen. Taft to provide for approval of such agreements by the Attorney General. (pp. 11702-11, 11722-3.)

To authorize mandatory agreements with industry, by a 32-47 vote (pp. 11699-700).

To authorize mandatory agreements with a Congressional-review period of 30 days, by a 35-48 vote (pp. 11700-2).

The measure, as passed by the Senate, is printed in the Congressional Record (pp. 11732-3). (See also item 5, this Digest.)

2. COMMODITY SPECULATION. Passed with amendment S. J. Res. 170, to amend the Commodity Exchange Act so as to authorize the Secretary of Agriculture, in his discretion, to make public the names and addresses of persons transacting business on the boards of trade, and the amounts of commodities purchased or sold by them; and requiring him, when requested by a congressional committee, to furnish the committee and the public such information (pp. 11734-43). There were inserted in the Record correspondence between Chairman Bridges and Secretary Anderson on the matter, and the Solicitor's opinion as to whether such information can be released under existing law (pp. 11738-9).

3. FOREIGN AID. The Civil Service Committee reported with amendments S. 1813, to reduce postage on parcels containing food, clothing, or medicines mailed to certain foreign countries (S. Rept. 807), and the bill was referred to the Foreign Relations Committee (pp. 11719-20).

4. THIRD SUPPLEMENTAL APPROPRIATION BILL. Chairman Bridges of the Appropriations Committee obtained consent for the Committee to report this bill, H. R. 4748, by midnight last night. It is expected that the bill will be considered on the floor today. (pp. 11734, 11743.)

HOUSE

5. INFLATION CONTROL. The Rules Committee reported a resolution for consideration, without amendment, of S. J. Res. 167, the Taft anti-inflation bill (p. 11795). Rep. Smith, Ohio, objected to consideration, when submitted, of the con-

trust laws of the United States or the Federal Trade Commission Act.

(d) Such written request may, in the discretion of the governmental officer or agency which made the request, be withdrawn at any time by said governmental officer or agency by written notice from said governmental officer or agency of such withdrawal to the Attorney General, and after publication of notice of such withdrawal in the Federal Register as provided in subsection (e), the provisions of this act shall not apply to any subsequent act or omission by reason of such request or voluntary plan.

(e) The Attorney General shall transmit to the President pro tempore of the Senate and to the Speaker of the House of Representatives, and shall order published in the Federal Register every such request, and any withdrawal thereof, and any plan, program, or other arrangements promulgated under, or which is the basis of, any such request.

(f) The power to make requests conferred by this act shall expire upon expiration of section 2 of this act, and any requests made and voluntary plans adopted under this act shall have no force or effect 6 months thereafter.

(g) As used in this section the term "person" means an individual, corporation, partnership, or association.

EXPORT CONTROLS

SEC. 3. (a) Section 6 (d) of the act of July 2, 1940 (54 Stat. 714), as amended, is amended by striking out "February 29, 1943" and inserting in lieu thereof "February 28, 1949."

(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred upon him by such act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable mark-ups in export prices over domestic prices.

ALLOCATION OF TRANSPORTATION FACILITIES AND GRAIN

SEC. 4. (a) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, as amended, shall continue in effect to and including February 28, 1949, or such earlier date as the Congress by concurrent resolution or the President may designate, for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of transportation equipment and facilities by rail carriers.

(b) Notwithstanding any other provision of law, title III of the Second War Powers Act, 1942, is hereby revived and re enacted for the exercise of the powers, authority, and discretion conferred on the President by such title III with respect to the use of grain for the production of distilled spirits or neutral spirits for beverage purposes. The authority granted by this subsection shall expire on January 31, 1948.

DELEGATION OF AUTHORITY

SEC. 5. The authority granted to the President by section 2 of this joint resolution and, notwithstanding the provisions of section 6 of the Second Decontrol Act of 1947, the authority granted to the President by section 4 of this joint resolution and by section 6 of the act of July 2, 1940 (54 Stat. 714), as amended, may, to the extent the President directs, be exercised by any department, agency, or officer in the executive branch of the Government.

CRITICAL SHORTAGES—RECOMMENDATIONS BY THE PRESIDENT

SEC. 6. (a) Whenever the President shall determine that there is or threatens to be a critical shortage of any raw material, com-

modity, or product which jeopardizes the health or safety of the people of the United States or its national security or welfare and that there is no prospect that such critical shortage may soon be remedied by an increase in the available supply without additional governmental action and that the situation cannot be solved by voluntary agreement under the provisions of this act, he may prepare proposed measures for conserving such raw material, commodity, or product which he shall submit to the Congress in the following form:

(1) A statement of the circumstances which, in the President's judgment, require the proposed conservation measures.

(2) A detailed procedure for the administration of the proposed measures including the additional budget and additional personnel required for their enforcement.

(3) The proposed degree of curtailment in current and prospective use of each such raw material, commodity, or product by each processor and/or user thereof, including the specific formulas proposed for such curtailment with respect to each class or classes of processors or users and the criteria used in the establishment of such formulae.

(4) A complete record of the factual evidence upon which his recommendations are based, including all information provided by any agency of the Federal Government which may have been made available to him in the course of his consideration of the matter.

(b) Within 15 days after the submission of such proposed conservation measures, the Joint Committee on the Economic Report shall conduct public hearings thereon and shall make such recommendations to the Congress for legislative action as in its judgment the recommendations of the President and any additional information disclosed at the public hearings may require.

PRODUCTION OF FOODS IN NON-EUROPEAN FOREIGN COUNTRIES

SEC. 7. Notwithstanding any other provision of law, in order to alleviate and prevent shortages in foods, agricultural commodities, and products thereof, Commodity Credit Corporation is authorized to carry out projects to stimulate and increase the production of foods, agricultural commodities, and products thereof, in non-European foreign countries. Such projects may include procurement, the making of advances and price guarantees, the furnishing of technical information and assistance, the furnishing of seed, fertilizer, machinery, equipment and other materials, and such other actions as are necessary or incident to the carrying out of such projects: *Provided*, That any such program is first submitted to Congress by the Secretary of Agriculture, and is not disapproved by concurrent resolution of Congress within 60 days thereafter.

FOOD AND FEED CONSERVATION PROGRAM

SEC. 8. (a) In order to alleviate shortages in foods and feeds, and to assist in stabilizing prices, the President shall carry out a program for the conservation of food and feed. In carrying out such program, the President is authorized, through the dissemination of information, educational and other campaigns, the furnishing of assistance, and such other voluntary and cooperative measures as he deems necessary or appropriate, to encourage and promote the efficient utilization, care, and preservation of food and feed, the elimination of practices which waste food and feed, the control and eradication of insects and rodents, the consumption of less of these foods and feeds which are in short supply and more of those foods and feeds which are in abundant supply, and other conservation practices. The authority herein conferred may be exercised by the President through such departments, agencies, independent establishments, and officials of the Federal Govern-

ment and such State, local, and private agencies as he may determine.

(b) There is hereby authorized to be appropriated to the President such sums as may be necessary to carry out this section. To enable the President to carry out this section for the remainder of the fiscal year ending June 30, 1948, there is hereby made available not to exceed \$1,000,000 from any funds made available by the Congress for carrying out Public Law 84, Eightieth Congress, or from any funds made available by the Congress for interim foreign aid. Funds made available for the purpose of this section may be used for necessary administrative expenses, including personal services in the District of Columbia and elsewhere, purchase or hire of motor vehicles, temporary or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract, without regard to the civil service and classification laws (the compensation of any such individual not to exceed \$50 per day). Funds made available for the purposes of this section may be allotted for any of the purposes of this section to any department, agency, or independent establishment of the Government, or transferred to any other agency requested to assist in carrying out this section. Funds allotted to any department, agency, or independent establishment of the Government shall be available for obligation and expenditure in accordance with the laws governing obligations and expenditures of the department, agency, or independent establishment, or organizational unit thereof concerned, and without regard to sections 3709 and 3648 of the Revised Statutes, as amended (U. S. C., title 41, sec. 5, and title 31, sec. 529).

AUTHORIZATION FOR APPROPRIATIONS

SEC. 9. There is hereby authorized to be appropriated such amounts as may be necessary for purposes of carrying out the provisions of this joint resolution.

Mr. MAGNUSON. Mr. President, as bearing on the joint resolution just passed, two excellent editorials appeared in the Washington Post recently, one on December 15 entitled "Republican Way," the other on December 12 entitled "Administration Plan." In my opinion these editorials concretely and succinctly analyze the issues we have been discussing in the Senate today, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post of December 15, 1947]

REPUBLICAN WAY

The outstanding feature of the Wolcott bill, which goes before the House today with the blessings of the Republicans, is its emphasis on voluntary agreements by private industry for the allocation and inventory control of scarce commodities. Although the Wolcott bill provides that such agreements shall be subject to approval by the President, Senator O'Mahoney points out that, unlike the Harriman bill, it does not give the Government the power to limit the scope of agreements and set standards for the guidance of industry. The President will, so to speak, be put on the spot if Congress relies on the purely voluntary system of agreements contemplated by the Republicans. For if he should reject an agreement that he considered too restrictive or otherwise unfair, there would be nothing to put in its place, since the Government would be powerless to act.

While we think it highly desirable to give voluntary methods a preliminary trial, the chances that they will succeed will be poor,

That completes the Executive Calendar.

Mr. WHITE. Mr. President, I ask unanimous consent that the President may be immediately notified of all nominations this day confirmed.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. WHITE. Mr. President, I now move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

DEVELOPMENT OF THE ARMED FORCES

Mr. MAYBANK. Mr. President, I desired earlier in the afternoon to make a few observations about the condition of our armed forces and the situation concerning the military. However, about 4 o'clock I gave up the floor so as to expedite consideration of the so-called anti-inflation joint resolution. I reluctantly voted for that joint resolution on final passage, believing that the transportation control features and the export control features, together with the limitation on grain for both distilled and neutral spirits warranted my doing so. Personally I do not think it will do much good toward stopping inflation and aiding the people. Nevertheless, I hope and pray that it may.

After that was over, I voted for the resolution calling for the publication of the names of those who have been speculating in the commodity markets, bringing about high prices to the public. Senators were delighted and happy to vote for the resolution, which I hope may do some good.

So I shall return to where I left off an hour and a half ago.

A few weeks ago a United Press article entitled "Army Recruiting 70,000 Short and 10,000 Quit Each Month" appeared in the Washington Times-Herald. I ask unanimous consent to have the article inserted in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMY RECRUITING 70,000 SHORT AND 10,000 QUIT EACH MONTH—CONGRESSIONAL ACTION MAY BE NEEDED TO RAISE PAY AND STIMULATE ENLISTMENT

Army strength is dwindling seriously, Army officials disclosed yesterday, and congressional action may be necessary to raise the pay to stimulate recruiting.

The Army is getting only half the necessary recruits to fill requirements. Already the Army is 70,000 men short of requirements and is losing about 10,000 men a month.

OTHER SERVICES HOLDING UP

The picture is a little brighter for the Navy and the Air Forces. The Air Force is recruiting about 10,000 men a month despite stricter requirements and has the nucleus of a going concern.

The Navy reports it is recruiting and discharging about an equal number of men. The balance was struck recently when the Navy relaxed its physical standards.

The latest figures on the sizes of the three armed forces are: Navy, 440,032; Air Force, 327,000; Army ground forces, 600,000—a total of 1,367,032.

Army officers said the situation is serious. If the size of the ground armies is allowed to drop too far it may weaken occupation forces.

The Navy is outstripping the other two services by signing up about 15,000 men a month. The Army takes in about the same number as the Air Force—10,000. But the Air Force can expand easily to 401,000 by July 1, 1948, its authorized strength, with present recruiting because it is the smallest of the three services.

The Navy is in the position of having to hold to its present strength of 394,232 enlisted men and still drop about 4,000 officers to reach an authorized strength of 42,000 officers and 395,000 enlisted men on July 1, 1948.

Army authorized strength is 670,000 officers and men on July 1, 1948. It is already down to 600,000 and still dropping fast.

HOPES TO LEVEL OFF

The Army sees some hope in the fact that its enlistments are now declining at a decreasing rate and may level off.

Action that probably will be proposed to Congress includes:

1. Raise the pay of the Army from bottom to top.
2. Authorization to use more civilians to replace soldiers in noncombat jobs.
3. Establishment of universal military training.
4. Make the Women's Army Corps a part of the Regular Army.

Mr. MAYBANK. As one who advocated an increase in pay and who supported the increased-pay bills in the past few years as a member of the Military Affairs Committee, I do not believe at this time that increase in pay alone will solve the problem. The trouble goes deeper than that. The trouble goes further. On February 21 I spoke during debate in the Senate on the appropriations bill for the War Department and had this in part to say:

Mr. President, I should like to have printed in the RECORD an article which, like the editorial submitted by the Senator from Massachusetts, is entitled to serious consideration in connection with the subject now under debate. I submit a newspaper article showing that the Red army's budget is \$4,000,000,000 greater than the budget for our national defense, and showing the total appropriations for the Russian Government, translated into dollars, to be \$74,280,000,000.

Last year we reduced the total appropriation to approximately \$34,000,000,000, and I, for one, want to state positively that I do not intend to vote for the \$6,000,000,000 reduction, nor even for the \$4,500,000,000 reduction, because I do not know what serious effects it may have on the security of our country and the continuation of our armed forces.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"RED ARMY BUDGET TOPS OURS BY MERE FOUR BILLIONS

"Moscow radio, monitored by the Associated Press, said last night Russia's military expenditures during 1947 will amount to \$13,400,000,000—nearly \$4,000,000,000 more than the sum Congress is expected to authorize for United States defense in the United States budget now being considered.

"Arseni Zverev, Soviet Finance Minister, who submitted the new Russian budget of \$74,280,000,000 to the Supreme Soviet for approval, said the \$13,000,000,000 figure for national defense represented a decrease of \$1,120,000,000 from the 1946 military total.

"Under President Truman's proposed \$37,500,000,000 budget, \$11,200,000,000 would be earmarked for national defense. The \$6,000,000,000 slash approved yesterday by the

House is understood to include a cut of \$1,750,000,000 in the United States military appropriation.

"Thus, should the reduction be approved by the Senate, only \$9,450,000,000 would be granted the American War and Navy Departments for the new fiscal year. This means that the United States arms budget is approximately 29 percent less than the amount Moscow will spend for armed might."

Again, on July 14, following the defeat of the amendment offered by the Senator from Massachusetts [Mr. LODGE] to increase the air force appropriations, which I actively supported, I made the following short statement which will be found in the RECORD on page 8996:

Mr. President, I ask unanimous consent to have printed in the body of the RECORD an Associated Press article published on the front page of today's Washington Post under the heading "Army Reserve flier training cut to a third." Several days ago I voted for the amendment offered by the Senator from Massachusetts [Mr. LODGE] providing for an increase in the appropriation for the Army Air Forces, believing that additional funds were necessary if the Army Air Forces Reserve should continue to function.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"ARMY RESERVE FLIER TRAINING CUT TO A THIRD—REDUCTION IN BUDGET HITS TEACHING STAFFS, CREWS, AND FACILITIES

"The Army Air Forces said yesterday that because of its budget-trimmed program only 9,786 of the 28,630 reserve flying officers who enrolled for part-time training are receiving such training.

"The reduced funds are limiting teaching staffs, maintenance crews and training facilities said an announcement in connection with the forthcoming celebration of the fortieth anniversary of the AAF on August 1.

"The Air National Guard is now organized with 8,512 officers and men while the planned strength is 57,946. When at full strength, the air element of the guard will consist of 84 squadrons, of which 12 will be light bombardment and the remainder fighter outfits, the AAF said.

"In addition to conventional-type fighters—P-51's and P-47's—the announcement said that it also contemplated that some Air National Guard fighter squadrons will receive jet-propelled Lockheed P-80 Shooting Stars within the next 12 months."

It was my privilege, as a member of the Appropriations Committee for 6 years, the old Military Affairs Committee, and the present Armed Services Committee to work for legislation which would effectively improve our defenses and improve the financial condition and morale of the men in our armed forces.

Since 1946, however, our armed forces have continued to lose their enlisted personnel at a most amazing rate, even though the Congress reduced the appropriation below that which I had urged and supported. Conditions have now reached a point that even the smaller appropriations compared with our wartime expenditures for enlisted personnel in the Army cannot be used because of the lack of volunteer personnel. Because of the article to which I previously referred in the Times-Herald, during the past 2 weeks I have made quite a study through conferences with officials of the armed services and their assistants who are employed by the Armed Services Committee, and I believe a few

80TH CONGRESS
1ST SESSION

H. R. 4748

IN THE SENATE OF THE UNITED STATES

DECEMBER 18 (legislative day, DECEMBER 4), 1947

Read twice and referred to the Committee on Appropriations

AN ACT

Making supplemental appropriations for the fiscal year ending
June 30, 1948, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply sup-
5 plemental appropriations for the fiscal year ending June 30,
6 1948, and for other purposes, namely:

7 LEGISLATIVE

8 SENATE

9 SALARIES, MILEAGE, AND EXPENSES OF SENATORS

10 For additional mileage of the President of the Senate
11 and of Senators, at the rate authorized by law, \$51,000.

1 HOUSE OF REPRESENTATIVES

2 For payment to Fannie H. Gifford, widow of Charles
3 L. Gifford, late a Representative from the State of Mas-
4 sachusetts, \$12,500.

5 For payment to Nancy M. Springer, widow of Raymond
6 S. Springer, late a Representative from the State of Indiana,
7 \$12,500.

8 SALARIES, MILEAGE, AND EXPENSES OF MEMBERS

9 For additional mileage of Members of the House of
10 Representatives, Delegates from Territories, and the Resident
11 Commissioner from Puerto Rico, at the rate authorized by
12 law, \$171,000.

13 FUNDS APPROPRIATED TO THE PRESIDENT

14 EUROPEAN INTERIM AID

15 European interim aid: To enable the President to carry
16 out the provisions of the Act entitled the "Foreign Aid
17 Act of 1947" (S. 1774, Eightieth Congress) insofar as
18 applicable to Austria, France, and Italy, \$509,000,000:
19 *Provided*, That any administrative expenses which may be
20 incurred by the Department of State in carrying out duties
21 assigned to it under said Act may be paid from any funds
22 available to said Department for administrative expenses,
23 except that funds herein appropriated shall not be available
24 for such purpose: *Provided further*, That none of the funds
25 appropriated or made available by this Act shall be used or

1 made available for use for the acquisition of nitrates or
2 nitrogenous fertilizer, or petroleum products, or wheat, wheat
3 flour, or cereal grain in the United States or the shipment
4 thereof from the United States unless the President shall
5 first—

6 (1) survey the requirements of other countries which
7 are dependent upon the United States for a portion of their
8 supplies of such commodities, and

9 (2) estimate the quantities of such commodities which
10 probably will be made available to such countries from the
11 United States, and

12 (3) estimate the total amount of such commodities
13 available for export from the United States to the recipient
14 countries, after giving due consideration to the quantity
15 thereof required in this country to meet essential domestic
16 needs and for wastage, food, feed, seed, and industrial
17 uses, and for the needs of other countries dependent
18 upon the United States for supplies of such commod-
19 ities. In determining the amount of such commodities
20 available for export from the United States the Presi-
21 dent shall allow for a carry-over of wheat in the United
22 States as of July 1, 1948, of not less than one hundred and
23 fifty million bushels, and: *Provided further*, That the funds
24 appropriated in this Act shall not be made available or
25 used to acquire a quantity of wheat, wheat flour, and cereal

1 grain in the United States which, after taking into considera-
2 tion the amount estimated for export to other countries, and
3 the amount needed for domestic consumption in the United
4 States, will leave a carry-over of less than 150,000,000
5 bushels of wheat on July 1, 1948.

6 The losses incurred by agencies of the Government
7 through sales of commodities in accordance with the terms
8 of subsection (c) of section 11 of the Foreign Aid Act of
9 1947 shall not exceed \$50,000,000.

10 FEDERAL SECURITY AGENCY

11 SOCIAL SECURITY ADMINISTRATION

12 Reconversion unemployment benefits for seamen: For
13 an additional amount for "Reconversion unemployment
14 benefits for seamen," \$1,300,000.

15 Miscellaneous expenses, Social Security Administration:
16 For an additional amount for "Miscellaneous expenses,
17 Social Security Administration," \$40,000.

18 DEPARTMENT OF AGRICULTURE

19 The Secretary of Agriculture is hereby authorized, with
20 the approval of the Director of the Bureau of the Budget,
21 to utilize, by transfer or otherwise, during the period between
22 the date of approval of this Act and April 1, 1948, such
23 amounts as may be necessary (but not to exceed a total
24 of \$2,750,000) from any appropriation or fund available to
25 the bureaus, corporations, or agencies of the Department of

1 Agriculture, for expenses necessary to carry out (a) any
2 laws enacted subsequent to December 1, 1947, to (1) au-
3 thorize the regulation of speculative trading on the commodity
4 exchanges and (2) authorize allocation and inventory control
5 of scarce agricultural commodities; and (b) any programs
6 approved by the President under existing laws to encourage
7 conservation practices in this country: *Provided*, That,
8 notwithstanding any other provision of the appropriation
9 laws concerned, any funds utilized under authority of this
10 paragraph by any bureau, corporation, or agency of such
11 Department shall be in addition to any other funds available
12 to such bureau, corporation, or agency: *Provided further*,
13 That at the end of each calendar month the Secretary shall
14 make a report to the Committees on Appropriations of the
15 House of Representatives and the Senate of obligations
16 incurred pursuant to this paragraph.

17 DEPARTMENT OF THE ARMY

18 CIVIL FUNCTIONS

19 Government and relief in occupied areas: For an addi-
20 tional amount for "Government and relief in occupied areas",
21 \$230,000,000.

22 DEPARTMENT OF COMMERCE

23 The Secretary of Commerce is hereby authorized, with
24 the approval of the Director of the Bureau of the Budget,

1 to utilize, by transfer or otherwise, during the period between
2 the date of approval of this Act and April 1, 1948, such
3 amounts as may be necessary (but not to exceed a total
4 of \$750,000) from any appropriation or fund available
5 to any bureau or office of the Department of Commerce,
6 for expenses necessary to carry out any laws enacted subse-
7 quent to December 1, 1947, to (1) extend and strengthen
8 export controls and (2) authorize allocation and inventory
9 control of scarce commodities (other than agricultural com-
10 modities) : *Provided*, That, notwithstanding any other pro-
11 vision of the appropriation laws concerned, any funds utilized
12 under authority of this paragraph by any bureau or office
13 of such Department shall be in addition to any other funds
14 available to any such bureau or office: *Provided further*,
15 That at the end of each calendar month the Secretary shall
16 make a report to the Committees on Appropriations of the
17 House of Representatives and the Senate of obligations
18 incurred pursuant to this paragraph.

19 DEPARTMENT OF THE INTERIOR

20 BUREAU OF INDIAN AFFAIRS

21 Welfare of Indians: For an additional amount for "Wel-
22 fare of Indians," including the objects specified under this
23 head in the Interior Department Appropriation Act, 1948,
24 \$500,000.

25 Advance to Navajo Tribe of Indians (tribal funds) :

1 For advance to the Navajo Tribe of Indians to reimburse
2 the tribal sawmill enterprise for emergency relief expendi-
3 tures, \$100,000, payable from funds held by the United
4 States in trust for said Indians.

5 Alaska Native Service: For hospitalization of tuber-
6 culous Indians, Eskimoes, and Aleuts at the Seward Sani-
7 torium operated by the Methodist church, \$176,000.

8 BUREAU OF RECLAMATION

9 GENERAL FUND, CONSTRUCTION

10 Construction: For additional amounts for continuation
11 of construction of the following projects, to remain avail-
12 able until expended, and to be subject to such limitations
13 and restrictions as may be applicable to appropriations
14 for such purposes in the Interior Department Appropriation
15 Act, 1948, or other law, as follows:

16 Davis Dam project, Arizona-Nevada, \$2,800,000.

17 Colorado-Big Thompson project, Colorado, \$4,150,000.

18 Central Valley project, California: Joint facilities,
19 \$1,273,600; irrigation facilities, \$8,771,600; power facilities,
20 Shasta power plant, \$700,000, Keswick Dam, \$145,000,
21 Keswick power plant, \$514,800; in all, \$11,405,000.

22 Columbia Basin project, Washington, \$13,584,000.

23 TITLE II

24 GENERAL PROVISIONS

25 SEC. 201. No part of any appropriation contained in

1 this Act shall be used to pay the salary or wages of any
2 person who engages in a strike against the Government of
3 the United States or who is a member of an organization
4 of Government employees that asserts the right to strike
5 against the Government of the United States, or who advo-
6 cates, or is a member of an organization that advocates, the
7 overthrow of the Government of the United States by force
8 or violence: *Provided*, That for the purposes hereof an affi-
9 davit shall be considered prima facie evidence that the person
10 making the affidavit has not, contrary to the provisions of
11 this section, engaged in a strike against the Government of
12 the United States, is not a member of an organization of
13 Government employees that asserts the right to strike against
14 the Government of the United States, or that such person
15 does not advocate, and is not a member of an organization
16 that advocates, the overthrow of the Government of the
17 United States by force or violence: *Provided further*, That
18 any person who engages in a strike against the Government
19 of the United States or who is a member of an organization
20 of Government employees that asserts the right to strike
21 against the Government of the United States, or who ad-
22 vocates, or who is a member of an organization that advo-
23 cates, the overthrow of the Government of the United States
24 by force or violence and accepts employment the salary or
25 wages for which are paid from any appropriation contained

1 in this Act shall be guilty of a felony and, upon conviction,
2 shall be fined not more than \$1,000 or imprisoned for not
3 more than one year, or both: *Provided further*, That the
4 above penalty clause shall be in addition to, and not in
5 substitution for, any other provisions of existing law.

6 SEC. 202. This Act may be cited as the "Third Sup-
7 plemental Appropriation Act, 1948."

Passed the House of Representatives December 17, 1947.

Attest:

JOHN ANDREWS,

Clerk.

80TH CONGRESS
1ST SESSION

H. R. 4748

AN ACT

Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

DECEMBER 18 (legislative day, DECEMBER 4), 1947

Read twice and referred to the Committee on Appropriations

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948

DECEMBER 18, 1947.—Ordered to be printed

Mr. BRIDGES, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H. R. 4748]

The Committee on Appropriations, to whom was referred the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House-----	\$773, 202, 000. 00
Increase by Senate (net)-----	318, 520, 500. 00
Amount of bill as reported to Senate-----	1, 091, 722, 500. 00

COMMITTEE ACTION

In conducting its hearings on the third supplemental appropriation bill, 1948, the committee has waived its customary procedure and has moved with utmost dispatch because it has recognized that the present world emergency can only be solved by prompt action. The committee opened its hearings on the bill the day following the presentation of a relief program to the Congress. It has concluded its hearings on this entire complex fiscal situation. It is reporting this bill to the Senate within 24 hours of its reference to this committee.

To meet the urgent problems which have made necessary this emergency session, the committee recommends that the Senate provide funds for a relief program in Italy, France, Austria, China, and the occupied areas of Germany and Japan. It is recommended also in this bill that money be provided to meet the supplemental needs of various other Government functions.

FOREIGN AID

The committee recommends a change in the title under "Funds appropriated to the President" from "European interim aid" to "Foreign aid" in order to provide for the inclusion of China.

The committee recommends an increase of \$41,000,000 for aid to Austria, France, and Italy to provide a total appropriation of \$550,000,000 for those countries in view of the urgent need for the economic recovery of western Europe and the break-down of the recent London Conference.

The committee further recommends the addition of \$20,000,000 for use in a relief program for China. The total amount recommended by the committee for foreign aid, therefore, to cover Austria, China, France, and Italy is \$570,000,000.

The House reduction of \$88,000,000 from the budget estimate of \$597,000,000 contemplated that France and Italy should defer payment of their international financial obligations. In recommending a total appropriation of \$570,000,000, as against the House figure of \$509,000,000 the committee considers that sufficient funds are restored to enable the recipient countries to honor their proper international debts.

Further, the committee is of the opinion that the amount of \$550,000,000 recommended for aid in Europe will provide the quantity of food proposed in the State Department program. Price adjustments in grain and other commodities and transportation costs of coal justify the committee recommendation. The authorization act provides that surplus foods acquired under price-support programs may be used for export relief programs at a price equal to the cost of a quantity of wheat having the same caloric value.

The committee concurs in the action of the House in recommending that funds appropriated in this act shall not be made available or used to acquire a quantity of wheat, wheat flour, or other grain in the United States which, after taking into consideration the amount estimated for export to other countries and the amount needed for domestic consumption in the United States, will leave a carry-over of less than 150,000,000 bushels of wheat on July 1, 1948.

The committee further recommends that the funds shall not be used to purchase grains to an extent which will reduce the carry-over below 125,000,000 bushels, in the event that the President, acting in accordance with the authorization act, determines after March 1, 1948, that a carry-over of less than 150,000,000 bushels is justified.

DEPARTMENT OF THE ARMY

GOVERNMENT AND RELIEF IN OCCUPIED AREAS

The committee recommends the appropriation of the sum of \$490,000,000 for government and relief in occupied areas which corresponds with the budget estimate and represents an increase of \$260,000,000 over the House allowance of \$230,000,000. After consideration of the justifications for occupation costs submitted by the Army the committee is of the opinion that they are reasonable, especially in view of the situation occasioned by the British withdrawal of financial support of occupational obligations and the recently signed

agreement between the United States and the United Kingdom formalizing the withdrawal.

Testimony before the committee showed a pressing need for tobacco in Germany, to stimulate production, improve morale, break the black market, and rebuild a permanent demand for export grades of American-grown leaf tobacco which is now in surplus supply.

The committee agrees that these are desirable ends and, therefore, recommends for the favorable consideration of the Department of the Army that an appropriate part of the import-export funds be used for the purchase of surplus leaf tobacco held by the Commodity Credit Corporation for use in the occupied areas and that said Corporation dispose of such tobacco on the terms suggested in subsection (e) of section 11 of the Foreign Aid Act of 1947.

The Department of the Army should report to the committee on the action taken with respect to this recommendation.

The committee recommends an amendment which provides that no funds appropriated in this bill shall be used for the payment of personnel engaged in the dismantling of nonmilitary plants in bizonal Germany. This action is an expression of the committee's opposition to certain features of the existing reparations program observed during its European survey of the occupied zone.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

The committee has adopted the supplemental estimates of the Bureau of the Budget with respect to the four projects for which supplemental estimates were asked, namely: Central Valley project, Columbia Basin project, Colorado-Big Thompson project, and Davis Dam project. This is a reduction of \$2,564,000 below the appropriation made by the House.

The committee added the sum of \$72,000 for supplemental work on the Arnold irrigation district in Oregon, based upon testimony before the committee indicating that the emergency conditions were greater than was known at the time the original appropriation was made.

Because of the fact that the President's message presenting the supplemental appropriation estimates was not received by the Congress until December 12 and the action thereon of the House was not known to the Senate committee until December 17, our committee had but 2 days in which to consider the justifications for supplemental appropriations totaling \$31,939,000. It was physically impossible to make the examination necessary to provide the committee with that information which could have been secured by a more thorough and comprehensive investigation. The committee desires to point out that precipitant action of this kind is not conducive to orderly consideration of budget estimates and expresses the hope that it will not again be faced with such an intolerable situation.

Even though the committee had but 2 days in which to investigate the justifications for these appropriations, there was, in the opinion of the committee, abundant testimony to disclose that the Bureau of Reclamation was at complete variance with the views of the Congress as to the availability of appropriated funds and their application by the Bureau. The Bureau took the position that the funds were not

intended to be apportioned equitably over the fiscal year; the evidence clearly showed that the Bureau had done everything possible to accelerate the construction programs with the consequent substantial exhaustion of funds on two of the major projects as of the present date and an estimated exhaustion of the funds on the remaining two projects prior to the end of the fiscal year.

Such action is directly opposed to the intent of Congress. If such a policy is allowed to be followed in the future, it would take out of the hands of the Congress and put into the hands of the Bureau and the contractors the control of the rate of expenditure on reclamation projects.

The evidence further disclosed that the Bureau has consistently failed to apportion appropriated funds among existing contracts and has failed to notify contractors of funds available for each specific contract or to keep the contractors advised as to the rate of depletion of available funds. In numerous instances the first notice given to contractors of exhaustion of funds was received by the contractors within a few days of the date when they were required to close their operations because of exhaustion of such funds.

Such actions on the part of the Bureau are the very antithesis of orderly procedure and this will result in great loss to the Government, to the contractors, and workmen and their families.

Data furnished to the committee during these hearings and prior hearings have varied so greatly as to clearly evidence the fact that the whole accounting system of the Bureau needs complete overhauling. Contradictory data were such as to destroy the confidence of the committee in the reliability of figures furnished by the Bureau.

The views of the Bureau with reference to the applicability of the various provisions of the Antideficiency Act emphasize, in the committee's judgment, the necessity for clarification of that act and its application squarely to the operations of the Reclamation Bureau. The committee believes that legislation should also be enacted at the next session and made applicable to the next and succeeding appropriations specifically providing for the apportionment of funds appropriated to the Reclamation Bureau over the full 12 months of the fiscal year to which the appropriation applies.

The clarification of the law, as above recommended, will prevent the Bureau from again pursuing a course of conduct resulting in exhaustion of appropriated funds in the middle of the fiscal year and necessitating supplemental appropriation which would not have been necessary otherwise.

The changes in the amounts of the House bill recommended by the committee are as follows:

INCREASE AND LIMITATIONS

Senate:

Payment to beneficiaries of the late Senator Theodore G. Bilbo-----

\$12, 500

Foreign aid-----

61, 000, 000

The committee recommends that the amount made available for Austria, France, and Italy be increased from \$509,000,000 as allowed by the House to \$550,000,000. The committee also recommends the inclusion of \$20,000,000 for aid to China.

INCREASE AND LIMITATIONS—Continued

Foreign aid—Continued

It is recommended that the following provision in the bill be amended as follows:

(3) estimate the total amount of such commodities available for export from the United States to the recipient countries, after giving due consideration to the quantity thereof required in this country to meet essential domestic needs and for wastage, food, feed, seed, and industrial uses, and for the needs of other countries dependent upon the United States for supplies of such commodities. In determining the amount of such commodities available for export from the United States the President shall allow for a carry-over of wheat in the United States as of July 1, 1948, of not less than one hundred and fifty million bushels, and: *Provided further, That the funds appropriated in this Act shall not be made available or used to acquire a quantity of wheat, wheat flour, and cereal grain in the United States which, after taking into consideration the amount estimated for export to other countries, and the amount needed for domestic consumption in the United States, will leave a carry-over of less than 150,000,000 bushels of wheat on July 1, 1948, unless the estimates of the President after March 1, 1948, justify an increase in the amount available for export but in no event shall the amount exported leave a carry-over of less than 125,000,000 bushels of wheat on July 1, 1948.*

Department of the Army:

Government and relief in occupied areas----- \$260, 000, 000

It is recommended by the committee that the following proviso relative to the use of the funds for the payment of personnel engaged in dismantling nonmilitary plants in the bizonal areas of occupation in Germany be added to the bill:

: Provided, That no part of this appropriation shall be available for the compensation or other expenses of personnel engaged in dismantling nonmilitary plants in the bizonal areas of occupation in Germany

Interior Department:

Bureau of Reclamation:

Deschutes project, Oregon----- 72, 000

This amount is needed to complete the emergency rehabilitation of the irrigation system of the Arnold irrigation district in Oregon. The principal work is the replacement of a 5,400 wooden flume found to be too badly deteriorated to repair since the \$100,000 appropriation for this district was made to start the work in the 1948 Interior Appropriation Act. Since the bill was passed, the engineers found the flume could not be repaired to do a permanent job. It was found necessary to substitute a sheet-metal flume for the old wooden structure. Work is now in progress and \$49,191 had been spent to Dec. 1. In order to complete the entire job by the spring irrigation season 1948, \$72,000 is needed. A supplemental estimate for this amount was submitted to the Bureau of the Budget.

INCREASE AND LIMITATIONS—Continued

Interior Department—Continued

Bureau of Reclamation—Continued

Deschutes project, Oregon—Continued

The original estimate for the job was \$212,000.

The present estimate is \$172,000 of which \$100,000 was appropriated for 1948.

The Arnold irrigation district has agreed to repay the entire cost.

Total increase-----	\$321, 084, 500
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DECREASES

Department of Agriculture:

Transfer of funds:

The committee recommend that the provision in the bill authorizing the Secretary of Agriculture, with the approval of the Director of the Bureau of the Budget, to utilize, by transfer or otherwise, during the period between the date of approval of this appropriation measure and Apr. 1, 1948, not to exceed \$2,750,000 from available funds for the administration of certain laws enacted subsequent to Dec. 1, 1947, be amended to reduce the amount for transfer to an amount not to exceed \$1,750,000.

Interior Department:

Bureau of Reclamation:

Central Valley project, California-----	705, 000
---	----------

The supplemental estimate proposed an appropriation of \$10,700,000. The House increased this amount by \$705,000 to provide a total appropriation of \$11,405,000. The committee recommend a reduction of \$705,000 to provide the amount of the Budget estimate, \$10,700,000.

Columbia Basin project, Washington-----	1, 859, 000
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The supplemental estimate for this project is in the amount of \$11,725,000. The House increased this amount by \$1,859,000, providing a total appropriation of \$13,584,000. The committee recommend a reduction of \$1,859,000, which will provide a total supplemental appropriation of \$11,725,000—the amount of the Budget estimate.

Total decrease, Bureau of Reclamation-----	2, 564, 000
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Total increase-----	321, 084, 500
Total decrease-----	2, 564, 000
Net increase-----	318, 520, 500
Amount of bill as reported to Senate-----	1, 091, 722, 500

THE THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948—COMPARATIVE STATEMENT OF THE AMOUNTS OF
THE BUDGET ESTIMATES AND OF THE AMOUNTS RECOMMENDED IN THE ACCOMPANYING BILL

House Doc. No.	Department or agency	Amount of budget estimate	Amount recom- mended by House	Amount recom- mended by Senate committee	Increase (+) or decrease (-), committee bill compared with—	
					Budget estimate	House bill
	GENERAL APPROPRIATIONS					
	LEGISLATIVE					
	SENATE					
	Mileage for Senators-----		\$51, 000	\$51, 000	+\$51, 000	-----
	Beneficiaries of deceased Senator-----		-----	12, 500	+12, 500	+\$12, 500
	HOUSE OF REPRESENTATIVES					
	Beneficiaries of deceased Representatives-----		25, 000	25, 000	+25, 000	-----
	Mileage of Representatives-----		171, 000	171, 000	+171, 000	-----
	Total, Legislative Establishment-----		247, 000	259, 500	+259, 500	+12, 500
	FUNDS APPROPRIATED TO THE PRESIDENT					
	EUROPEAN INTERIM AID					
435	European interim aid (Foreign aid)-----	\$597, 000, 000	509, 000, 000	570, 000, 000	-27, 000, 000	+61, 000, 000

The third supplemental appropriation bill, 1948—comparative statement of the amounts of the Budget estimates and of the amounts recommended in the accompanying bill—Continued

House Doc. No.	Department or agency	Amount of budget estimate	Amount recom- mended by House	Amount recom- mended by Senate committee	Increase (+) or decrease (-), committee bill compared with—	
					Budget estimate	House bill
GENERAL APPROPRIATIONS—Con.						
FEDERAL SECURITY AGENCY						
SOCIAL SECURITY ADMINISTRATION						
476	Reconversion unemployment benefits for sea- men-----	\$1, 300, 000	\$1, 300, 000	\$1, 300, 000	-----	-----
476	Miscellaneous expenses, Social Security Ad- ministration-----	40, 000	40, 000	40, 000	-----	-----
	Total, Federal Security Agency-----	1, 340, 000	1, 340, 000	1, 340, 000	-----	-----
DEPARTMENT OF THE ARMY						
CIVIL FUNCTIONS						
467	Government and relief in occupied areas-----	490, 000, 000	230, 000, 000	490, 000, 000	-----	+\$260, 000, 000
DEPARTMENT OF THE INTERIOR						
BUREAU OF INDIAN AFFAIRS						
475	Welfare of Indians-----	450, 000	500, 000	500, 000	\$+50, 000	-----
	Alaska Native Service, Seward Sanitarium-----	-----	176, 000	176, 000	+176, 000	-----
	Total, Bureau of Indian Affairs-----	450, 000	676, 000	676, 000	+226, 000	-----

	RECLAMATION FUND			72, 000	+72, 000	+72, 000
	Deschutes project, Oregon-----					
	GENERAL FUND, CONSTRUCTION					
477	Davis Dam project, Arizona-Nevada-----	2, 800, 000	2, 800, 000	2, 800, 000		
477	Colorado-Big Thompson project, Colorado-----	4, 150, 000	4, 150, 000	4, 150, 000		
477	Central Valley project, California-----	10, 700, 000	11, 405, 000	10, 700, 000		-705, 000
477	Columbia Basin project, Washington-----	11, 725, 000	13, 584, 000	11, 725, 000		-1, 859, 000
	Total, Bureau of Reclamation-----	29, 375, 000	31, 939, 000	29, 447, 000	+72, 000	-2, 492, 000
	Total, Department of the Interior-----	29, 825, 000	32, 139, 000	30, 123, 000	+298, 000	-2, 016, 000
	Total, general appropriations-----	1, 118, 165, 000	773, 202, 000	1, 091, 722, 500	-26, 442, 500	+318, 520, 500

○

Calendar No. 860

80TH CONGRESS
1ST SESSION

H. R. 4748

[Report No. 808]

IN THE SENATE OF THE UNITED STATES

DECEMBER 18 (legislative day, DECEMBER 4), 1947

Read twice and referred to the Committee on Appropriations

DECEMBER 18 (legislative day, DECEMBER 4), 1947

Reported, under authority of the order of the Senate of December 18 (legislative day, December 4), 1947, by Mr. BRIDGES, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making supplemental appropriations for the fiscal year ending
June 30, 1948, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, to supply sup-
5 plemental appropriations for the fiscal year ending June 30,
6 1948, and for other purposes, namely:

7 LEGISLATIVE

8 SENATE

9 *For payment, in equal portions, to Theodore G. Bilbo,*
10 *Junior, son, and Jessie Forrest Bilbo, daughter, of Theo-*

1 *dore G. Bilbo, late a Senator from the State of Mississippi,*
 2 *\$12,500.*

3 SALARIES, MILEAGE, AND EXPENSES OF SENATORS

4 For additional mileage of the President of the Senate
 5 and of Senators, at the rate authorized by law, \$51,000.

6 HOUSE OF REPRESENTATIVES

7 For payment to Fannie H. Gifford, widow of Charles
 8 L. Gifford, late a Representative from the State of Mas-
 9 sachusetts, \$12,500.

10 For payment to Nancy M. Springer, widow of Raymond
 11 S. Springer, late a Representative from the State of Indiana,
 12 \$12,500.

13 SALARIES, MILEAGE, AND EXPENSES OF MEMBERS

14 For additional mileage of Members of the House of
 15 Representatives, Delegates from Territories, and the Resident
 16 Commissioner from Puerto Rico, at the rate authorized by
 17 law, \$171,000.

18 FUNDS APPROPRIATED TO THE PRESIDENT

19 ~~EUROPEAN INTERIM AID~~ FOREIGN AID

20 ~~European interim aid~~ *Foreign aid*: To enable the Presi-
 21 dent to carry out the provisions of the Act entitled the
 22 "Foreign Aid Act of 1947" (S. 1774, Eightieth Congress)
 23 insofar as applicable to Austria, France, and Italy, \$509,-
 24 000,000 ~~\$550,000,000~~, and insofar as applicable to China,

1 \$20,000,000; in all \$570,000,000: *Provided*, That any
2 administrative expenses which may be incurred by the
3 Department of State in carrying out duties assigned to it
4 under said Act may be paid from any funds available to
5 said Department for administrative expenses, except that
6 funds herein appropriated shall not be available for such
7 purpose: *Provided further*, That none of the funds appro-
8 priated or made available by this Act shall be used or made
9 available for use for the acquisition of nitrates or nitrogenous
10 fertilizer, or petroleum products, or wheat, wheat flour, or
11 cereal grain in the United States or the shipment thereof
12 from the United States unless the President shall first—

13 (1) survey the requirements of other countries
14 which are dependent upon the United States for a por-
15 tion of their supplies of such commodities, and

16 (2) estimate the quantities of such commodities
17 which probably will be made available to such countries
18 from the United States, and

19 (3) estimate the total amount of such commodities
20 available for export from the United States to the
21 recipient countries, after giving due consideration to
22 the quantity thereof required in this country to meet
23 essential domestic needs and for wastage, food, feed,
24 seed, and industrial uses, and for the needs of other

1 countries dependent upon the United States for supplies
2 of such commodities. In determining the amount of
3 such commodities available for export from the United
4 States the President shall allow for a carry-over of
5 wheat in the United States as of July 1, 1948, of not
6 less than one hundred and fifty million bushels, and:
7 *Provided further*, That the funds appropriated in this
8 Act shall not be made available or used to acquire a
9 quantity of wheat, wheat flour, and cereal grain in the
10 United States which, after taking into consideration
11 the amount estimated for export to other countries, and
12 the amount needed for domestic consumption in the
13 United States, will leave a carry-over of less than
14 one hundred and fifty million bushels of wheat on July
15 1, 1948, *unless the estimates of the President after*
16 *March 1, 1948, justify an increase in the amount avail-*
17 *able for export but in no event shall the amount exported*
18 *leave a carry-over of less than one hundred and twenty-*
19 *five million bushels of wheat on July 1, 1948.*

20 The losses incurred by agencies of the Government
21 through sales of commodities in accordance with the terms
22 of subsection (e) of section 11 of the Foreign Aid Act of
23 1947 shall not exceed \$50,000,000.

FEDERAL SECURITY AGENCY

SOCIAL SECURITY ADMINISTRATION

Reconversion unemployment benefits for seamen: For an additional amount for "Reconversion unemployment benefits for seamen," \$1,300,000.

Miscellaneous expenses, Social Security Administration: For an additional amount for "Miscellaneous expenses, Social Security Administration," \$40,000.

DEPARTMENT OF AGRICULTURE

The Secretary of Agriculture is hereby authorized, with the approval of the Director of the Bureau of the Budget, to utilize, by transfer or otherwise, during the period between the date of approval of this Act and April 1, 1948, such amounts as may be necessary (but not to exceed a total of ~~\$2,750,000~~ \$1,750,000) from any appropriation or fund available to the bureaus, corporations, or agencies of the Department of Agriculture, for expenses necessary to carry out (a) any laws enacted subsequent to December 1, 1947, to (1) authorize the regulation of speculative trading on the commodity exchanges and (2) authorize allocation and inventory control of scarce agricultural commodities; and (b) any programs approved by the President under existing laws to encourage conservation practices in this country: *Provided, That, notwithstanding any other provision of the*

1 appropriation laws concerned, any funds utilized under au-
 2 thority of this paragraph by any bureau, corporation, or
 3 agency of such Department shall be in addition to any
 4 other funds available to such bureau, corporation, or agency:
 5 *Provided further, That at the end of each calendar month*
 6 *the Secretary shall make a report to the Committees on*
 7 *Appropriations of the House of Representatives and the*
 8 *Senate of obligations incurred pursuant to this paragraph.*

9 DEPARTMENT OF THE ARMY

10 CIVIL FUNCTIONS

11 Government and relief in occupied areas: For an addi-
 12 tional amount for "Government and relief in occupied areas",
 13 ~~\$230,000,000~~ \$490,000,000: *Provided, That no part of*
 14 *this appropriation shall be available for the compensation*
 15 *or other expenses of personnel engaged in dismantling non-*
 16 *military plants in the bizonal areas of occupation in*
 17 *Germany.*

18 DEPARTMENT OF COMMERCE

19 The Secretary of Commerce is hereby authorized, with
 20 the approval of the Director of the Bureau of the Budget,
 21 to utilize, by transfer or otherwise, during the period between
 22 the date of approval of this Act and April 1, 1948, such
 23 amounts as may be necessary (but not to exceed a total
 24 of \$750,000) from any appropriation or fund available
 25 to any bureau or office of the Department of Commerce,

1 for expenses necessary to carry out any laws enacted subse-
 2 quent to December 1, 1947, to (1) extend and strengthen
 3 export controls and (2) authorize allocation and inventory
 4 control of scarce commodities (other than agricultural com-
 5 modities) : *Provided*, That, notwithstanding any other pro-
 6 vision of the appropriation laws concerned, any funds utilized
 7 under authority of this paragraph by any bureau or office
 8 of such Department shall be in addition to any other funds
 9 available to any such bureau or office: *Provided further*,
 10 That at the end of each calendar month the Secretary shall
 11 make a report to the Committees on Appropriations of the
 12 House of Representatives and the Senate of obligations
 13 incurred pursuant to this paragraph.

14 DEPARTMENT OF THE INTERIOR

15 BUREAU OF INDIAN AFFAIRS

16 Welfare of Indians: For an additional amount for "Wel-
 17 fare of Indians," including the objects specified under this
 18 head in the Interior Department Appropriation Act, 1948.
 19 \$500,000.

20 Advance to Navajo Tribe of Indians (tribal funds) :
 21 For advance to the Navajo Tribe of Indians to reimburse
 22 the tribal sawmill enterprise for emergency relief expendi-
 23 tures, \$100,000, payable from funds held by the United
 24 States in trust for said Indians.

25 Alaska Native Service: For hospitalization of tuber-

culous Indians, Eskimos, and Aleuts at the Seward Sanitarium operated by the Methodist church, \$176,000.

BUREAU OF RECLAMATION

RECLAMATION FUND, CONSTRUCTION

Construction: For construction and continuation of construction of the following project in not to exceed the following amount to be reimbursable in full under conditions satisfactory to the Secretary of the Interior as provided in Public Law 247, Eightieth Congress, approved July 25, 1947:

Deschutes project, Oregon, \$72,000, to be available toward emergency rehabilitation of the works of the Arnold Irrigation District under the same terms and conditions as provided in said Public Law 247, Eightieth Congress.

GENERAL FUND, CONSTRUCTION

Construction: For additional amounts for continuation of construction of the following projects, to remain available until expended, and to be subject to such limitations and restrictions as may be applicable to appropriations for such purposes in the Interior Department Appropriation Act, 1948, or other law, as follows:

Davis Dam project, Arizona-Nevada, \$2,800,000.

Colorado-Big Thompson project, Colorado, \$4,150,000.

Central Valley project, California: Joint facilities, \$1,273,600; irrigation facilities, ~~\$8,771,600~~ \$8,066,600;

1 power facilities, Shasta power plant, \$700,000, Keswick
2 Dam, \$145,000, Keswick power plant, \$514,800; in all
3 ~~\$11,405,000~~ \$10,700,000.

4 Columbia Basin project, Washington, ~~\$13,584,000~~
5 \$11,725,000.

6 TITLE II

7 GENERAL PROVISIONS

8 SEC. 201. No part of any appropriation contained in
9 this Act shall be used to pay the salary or wages of any
10 person who engages in a strike against the Government of
11 the United States or who is a member of an organization
12 of Government employees that asserts the right to strike
13 against the Government of the United States, or who advo-
14 cates, or is a member of an organization that advocates, the
15 overthrow of the Government of the United States by force
16 or violence: *Provided*, That for the purposes hereof an affi-
17 davit shall be considered prima facie evidence that the person
18 making the affidavit has not, contrary to the provisions of
19 this section, engaged in a strike against the Government of
20 the United States, is not a member of an organization of
21 Government employees that asserts the right to strike against
22 the Government of the United States, or that such person
23 does not advocate, and is not a member of an organization
24 that advocates, the overthrow of the Government of the
25 United States by force or violence: *Provided further*, That

1 any person who engages in a strike against the Government
2 of the United States or who is a member of an organization
3 of Government employees that asserts the right to strike
4 against the Government of the United States, or who ad-
5 vocates, or who is a member of an organization that advo-
6 cates, the overthrow of the Government of the United States
7 by force or violence and accepts employment the salary or
8 wages for which are paid from any appropriation contained
9 in this Act shall be guilty of a felony and, upon conviction,
10 shall be fined not more than \$1,000 or imprisoned for not
11 more than one year, or both: *Provided further*, That the
12 above penalty clause shall be in addition to, and not in
13 substitution for, any other provisions of existing law.

14 SEC. 202. This Act may be cited as the "Third Sup-
15 plemental Appropriation Act, 1948."

Passed the House of Representatives December 17, 1947.

Attest:

JOHN ANDREWS,

Clerk.

80TH CONGRESS
1ST SESSION

H. R. 4748

[Report No. 808]

AN ACT

Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

DECEMBER 18 (legislative day, DECEMBER 4), 1947

Read twice and referred to the Committee on
Appropriations

DECEMBER 18 (legislative day, DECEMBER 4), 1947

Reported with amendments

CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
Division of Legislative Reports
(For Department staff only)

Issued December 22, 1947
For actions of December 19, 1947
80th-1st, No. 168

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HIGHLIGHTS: Congress completed action on appropriation bill which includes items for foreign aid, losses on surplus commodities at wheat-equivalent prices, more stringent wheat carryover, food-feed conservation program, reclamation, etc. Congress received President's European Recovery Program message. House passed Taft inflation-control measure. House passed measure authorizing USDA to publish information re commodity speculators and requiring this to be done if requested by congressional committee; President signed measure. House committee appointed to investigate commodity exchange transactions. Sen. Lodge inserted Hoover's announcement of studies to be made by Commission on Organization of Executive Branch. Sen. Barkley inserted letter from distillery denying it used excessive grain amount during food-conservation program. Both Houses adjourned sine die.

SENATE

1. THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948. Passed with amendments this bill, H. R. 4748 (pp. 11801-28),

Agreed to an amendment by Sen. Hayden, Ariz., to increase from \$50,000,000 to \$65,000,000 the amount of losses which may be incurred in connection with CCC's making surplus commodities available for foreign aid at wheat-equivalent prices (\$85,000,000 had first been suggested) (pp. 11824-6); and an amendment by Sen. Vandenberg, Mich., to fix the China-aid figure at \$18,000,000 (p. 11803).

Rejected a committee amendment to reduce by \$1,000,000 the total on USDA programs to be approved by the Budget Bureau. In making the suggestion for restoration of the amount, Sen. O'Mahoney, Wyo., explained that this was for the food-feed conservation program and inserted a letter from Secretary Anderson on the subject. (pp. 11823-4.)

Several Senators discussed the Bureau of Reclamation items, and Sen. Downey, Calif., charged that the Bureau has engaged in publicity and propaganda, etc. (pp. 11816-23).

Conferees were appointed on the bill in both Houses (pp. 11828, 11832).

Later the conference report was presented and agreed to by both Houses (pp. 11843, 11834). The conferees took the following actions: Fixed the foreign-aid figure at \$540,000,000, of which \$18,000,000 is for China. Com-promised the occupied-areas item at \$340,000,000 with an understanding that under certain conditions the Army could ask for a supplemental amount. Agreed to the more stringent House provision regarding the wheat carryover. Fixed the surplus-commodities loss figure at \$57,500,000.

This bill will now be sent to the President.

2. FOREIGN AID. Both Houses received the President's message recommending a long-range European Recovery Program (pp. 11873-9)(H. Doc. 478). To Senate Foreign Relations Committee (p. 11823) and House Foreign Affairs Committee (p. 11879). The message recommends establishment of an Economic Cooperation Administration to formulate programs, working closely with the State Department and other agencies, such as the Department of Agriculture.
3. REORGANIZATION. Sen. Lodge, Mass., inserted Herbert Hoover's statement announcing personnel to be engaged in various studies for the Commission on Organization of the Executive Branch (p. 11801).
4. ECONOMIC REPORT. The interim report of the Joint Committee on the Economic Report was ordered printed as S. Rept. 809, at the request of Chairman Taft (p. 11800).
Sen. Murray, Mont., inserted and discussed an article by Chairman Nourse of the President's Council of Economic Advisers, "The Employment Act and the Act of Employment" (pp. 11834-6).
5. GRAIN CONSERVATION. Sen. Barkley, Ky., inserted a letter from Publicker Industries, Inc., distilleries, denying that they have used an excessive amount of grain during the food conservation program; and Sen. Barkley said he is trying to get the true facts on the situation (pp. 11832-3).
6. FATS-OILS EXPORTS. Sen. O'Mahoney, Wyo., inserted a table by BAE on fats-oils exports and denied charges that such exports are increasing (pp. 11836-7).
7. PENALTY MAIL. Both Houses received from the Post Office Department a report on penalty-mail indicia on hand, procured, and mailed during the fiscal year 1947; to Senate Civil Service Committee and House Post Office and Civil Service Committee (pp. 11797, 11888).
8. ADJOURNMENT. Both Houses adjourned sine die (pp. 11843, 11888). The 2nd session of the 80th Congress is to convene on Jan. 6, 1948. Bills pending on Dec. 19 retain their legislative status at that time, do not die, and can be considered further during the 2nd session. The Joint Printing Committee announced that the last issue of the Congressional Record for the first session "will be published not later than Monday, December 29, 1947." This issue will include revised speeches, extensions of remarks, etc.

HOUSE

9. INFLATION CONTROL. Passed, 282-73, without amendment S. J. Res. 167, the Taft inflation-control measure (pp. 11844-62). The resolution will now be sent to the President.
Defeated, 73-156, a motion by Rep. Monroney, Okla., to recommit the measure to the Banking and Currency Committee with instruction to amend it by authorizing the President to "issue regulations and orders" in connection with the authorization for voluntary agreements (pp. 11859, 11862).
During the debate, Rep. Wolcott, Mich., explained the provision authorizing CCC to stimulate production of agricultural commodities in non-European foreign countries (pp. 11861-2); and gave his interpretation of the effect of deleting the provision which would have authorized voluntary agreements for livestock-poultry marketing at light weights to conserve grain (p. 11861). Reps. Hays (Ark.) and Bryson (S. C.) spoke in favor of the provision permitting allocation of grain for production of distilled and neutral spirits (pp. 11856, 11859). Rep. Murray, Wis., claimed USDA fixed a "150 percent of parity

floor price under flax" and that "This administration through voluntary agreement...has fixed a set-up whereby chickens today all through the Midwest are selling for from 50 to 60 percent of parity when the law says...not less than 90 percent" (p. 11860).

10. COMMODITY SPECULATION. Passed without amendment S. J. Res. 170, to amend the Commodity Exchange Act so as to authorize the Secretary of Agriculture, in his discretion, to make public the names and addresses of persons transacting business on the boards of trade, and the amounts of commodities purchased or sold by them; and requiring him, when requested by a congressional committee, to furnish the committee and the public such information (pp. 11864-7). This measure was later signed by the President (see Item 32).

Reps. Andresen (Minn.) (chairman), Crawford (Mich.), Buffett (Nebr.), Jenkins (Pa.), McCormack (Mass.), Rains (Ala.), and Carroll (Colo.), were appointed members of the Select Committee to investigate transactions on the commodity exchanges, pursuant to H. Res. 404 (p. 11852).

Agreed, without amendment, to H. Res. 407, providing \$25,000 for this Select Committee (p. 11863).

11. ELECTRIFICATION. Rep. Rankin, Miss., urged the development of U. S. electrical-energy resources and answered criticisms of TVA (pp. 11879-81).

12. NATURAL RESOURCES. The Public Lands Committee reported without amendment H. Res. 385, requesting the Interior Department for information on the amount of fuel oil, gasoline, other petroleum products, and coal now available in the U. S. and what steps the Government should take to make the proper and necessary supply available (H. Rept. 1231) (p. 11888).

13. FOREIGN AID. Rep. Case, S. Dak., urged tighter controls by the U. S. over the use of appropriations for foreign aid (pp. 11884-5).

BILLS INTRODUCED

14. PRICE CONTROLS. S. 1923, by Sen. Taylor, Idaho, to prevent further price increases and to reduce present prices to price levels consistent with a stable economy, and to allocate and control production and distribution to the extent necessary to distribute equitably commodities in short supply, and to maintain stable prices. To Banking and Currency Committee. (p. 11798.)

15. PERSONNEL. H.R. 4821, by Rep. Welch, Calif., to provide additional compensation for employees of the Federal Government and of the Government of the District of Columbia. To Post Office and Civil Service Committee. (p. 11833.)

H.R. 4822, by Rep. Case, S. Dak., to amend the Veterans' Preference Act, to give the wives of totally disabled veterans preference in employment where Federal funds are disbursed. To Post Office and Civil Service Committee. (p. 11833.)

16. MARKETING. H.R. 4826, by Rep. MacKinnon, Minn., to prohibit certain officers and employees of the U.S. from engaging in transactions involving contracts of sale of commodities for future delivery. To Judiciary Committee. (p. 11833.)
Remarks of author (pp. A5296-7).

ITEMS IN APPENDIX

17. GRAINS. Extension of remarks of Rep. Kefauver, Tenn., urging prohibition of the use of grains for distilling purposes and inserting his bill on the subject, H.R. 4799 (p. A5261).

Extension of remarks of Rep. Walter, Pa., including a Washington Post editorial, urging prohibition of the use of grains for distilling purposes in view of the need for grain both here and abroad (pp. A5261-2).

18. INFLATION. Extension of remarks of Rep. Clevenger, Ohio, favoring S.J. Res. 167, the Taft inflation-control measure (p. A5290).

Rep. Sanborn, Idaho, inserted a Spokane Chronicle article and a letter from John McBride, claiming that sound money is the first requisite for world economic recovery (pp. A5272-3).

Rep. St. George, N.Y., inserted a letter from the O'Sullivan Rubber Co. claiming that foreign aid is keeping prices high (p. A5281).

Rep. Edwin Arthur Hall, N.Y., inserted his recent radio address urging action to curb inflation (p. A5297).

Rep. Klein, N.Y., criticized as inadequate the Taft inflation-control measure (pp. A5298-9).

Extension of remarks of Rep. Vursell, Ill., claiming that the "action of the President and his policies of urging wage raises and exporting so much of everything out of the country are the real causes of present high prices" (pp. A5294-6).

Extension of remarks of Rep. Douglas, Calif., calling attention to Walter Reuther's Challenge for corporations to apply their profits to cut prices (p. A5284).

19. COMMITTEES. Rep. Peterson, Fla., inserted E.A. Alexander's statement on the rights of congressional committees (pp. A5231-2).

20. ELECTRIFICATION. Rep. Dondero, Mich., inserted a letter from the Southern California Edison Co. calling attention to the part the company played in building transmission lines from the Hoover Dam to Los Angeles, Calif. (pp. A5252-3).

21. EXTENSION WORK; RESEARCH. Rep. Jones, Ala., inserted a letter from the Ala. Extension Service explaining how the TVA cooperates in the work of the Ala. Extension Service and Experiment Station (p. A5289).

22. RECLAMATION. Extension of remarks of Rep. Horan, Wash., urging the development of reclamation projects in the west as "an essential prerequisite to the performance of our world recovery commitments," and including correspondence between himself and the Bureau of Reclamation (pp. A5244-7).

23. RESEARCH. Sen. Knowland, Calif., inserted E.U. Condon's (Director, Bureau of Standards) recent address, "Science and the National Welfare" (pp. A5250-2).

24. RUBBER. Rep. Curtis, Nebr., inserted his recent statement discussing the foreign trade agreements concerning rubber, in view of the need for maintaining the synthetic rubber program (pp. A5255-7).

25. HEALTH. Sen. Murray, Mont., inserted a Washington Star article favoring the National Health Insurance bill (pp. A5260-1).

26. FOREIGN AID. Various articles and insertions on foreign aid (pp. A5235-6, A5236-7, A5250, A5253, A5254, A5257-9, A5270, A5291-4).

27. HOUSING. Extension of remarks of Rep. Multer, N.Y., favoring the Taft-Ellender-Wagner housing bill (p. A5284).

28. EMERGENCY POWERS. Extension of remarks of Rep. Jones, Wash., claiming that there is danger in conferring authority to regulate exports on a price basis (p. A5280).

Star of December 16, 1947, which appears in the Appendix.]

"HEBREW NATION" VERSUS "JEWISH STATE"—ARTICLE BY PETER BERGSON

[Mr. CHAVEZ asked and obtained leave to have printed in the RECORD an article entitled "Favors a 'Hebrew Nation' Rather Than a 'Jewish State,'" by Peter Bergson, of the Hebrew Committee of National Liberation, published in the New York Post, December 17, 1947, which appears in the Appendix.]

VETERANS' ECONOMIC DEVELOPMENT CORPORATION ACT—LETTER FROM RAY H. BRANNAMAN

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD a letter relative to the Veterans' Economic Development Corporation Act (S. 1652), addressed to him by Ray H. Brannaman, which appears in the Appendix.]

STATEMENT BY HERBERT HOOVER ON THE COMMISSION ON THE ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. LODGE. Mr. President, a few days ago the Senate engaged in a discussion centering on the work of the Commission on the Organization of the Executive Branch of the Government. At that time I made the statement to the Senate that an auspicious beginning has been made. Today I desire to have printed in the RECORD a statement which has just been issued by former President Hoover, who is chairman of the Commission, which outlines some of the work which has been done, and refers to some of the very eminent and distinguished citizens of both parties who have been prevailed upon to go to work for the Commission in looking into all the different aspects of our Federal Government. I think the statement is of such great interest to the Senate, which passed the basic law on the subject last year, that I ask that it may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Herbert Hoover, chairman of the Commission on the Organization of the Executive Branch of the Government, made the following statement today as to the work of the Commission:

"In accordance with the Commission's policy of enlisting eminent and experienced citizens and organizations to report to it their recommendations as to specific functions of the Executive Branch, the following further arrangements have been made:

"Maj. Gen. Arthur H. Carter, partner in Haskins & Sells, Public Accountants, and Finance Officer in the War Department during the war, will undertake a study of the experience of the Government in competitive businesses, and the form of organization under which such businesses should be conducted.

"Mr. Thomas Jefferson Coolidge, of Boston, former Under Secretary of the Treasury, will head a committee to report on overlaps in administration, taxation, and grants in aid between Federal and State Governments. Ex-Governor Edison, of New Jersey, Senator Harry Byrd, of Virginia; Mr. W. L. Chenery, publisher of Collier's Weekly; Mr. John Burton, of the Budget Bureau of New York State; Prof. William Anderson, of the University of Minnesota; Governor Carlson, of Kansas; and Dean William I. Myers, of Cornell; have so far accepted membership on this committee. Mr. Frank Bane, of the Council of State Gov-

ernments, will direct the committee's research.

"Mr. Russell Forbes, now associated with the Munitions Board, former professor of Public Administration in New York University, and Commissioner of Purchase of New York City, and recipient of the Shipman medal of the National Association of Purchasing Agents, will report on the procurement policies of the Government, other than those of national defense.

"Mr. Paul Grady, a partner in Price, Waterhouse & Co., Public Accountants, and who served as assistant to Secretary Forrestal in the Navy Department during the war, will report to the Commission on the lending agencies of the Government.

"The Brookings Institution will report upon the health, education, and social security functions of the Federal Government.

"The Brookings Institution will also report on the Government's transportation activities.

"Further appointments will be announced within a few days."

The previous appointments announced are:

Mr. John W. Hanes, to examine and report on fiscal, budgetary, and accounting methods and control. Mr. Hanes was a member of the Securities and Exchange Commission in 1938, later became Assistant Secretary of the Treasury, and was Under Secretary of the Treasury from November 1933 to December 1939.

Mr. Robert Moses, to examine and report on Public Works. Mr. Moses was chairman of the New York State Commission on Post-war Employment in 1942, and is a member of the New York City Planning Commission. He is also chairman of the State Council of Parks, and chairman and chief executive of the Triborough Bridge Authority.

Col. Franklin D'Olier to examine and report on the administrative methods for veterans' services. Colonel D'Olier is the chairman of the Prudential Assurance Co. of Newark, N. J. He was the first national commander of the American Legion and is also a trustee of Princeton University.

Mr. Hoover himself will undertake, with the aid of Mr. Don K. Price, associate director of the Public Administration Clearing House, and with the cooperation of the Bureau of the Budget, a study of the Presidency and its relations to the departments and agencies of the executive branch.

WHAT ABOUT PROFITS?

Mr. O'MAHONEY. Mr. President, the question, "What about profits?"—I mean corporate profits—is being asked wherever people are struggling with the rising cost of living, and that means everywhere. I have before me an interesting little item on this subject which appeared in the Washington Daily News of Tuesday, December 16. I ask unanimous consent that it may be printed as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUCH A BIG COW

Swift & Co., Chicago meat packers, today have announced that their 1947 gross earnings are almost \$1,000,000,000 more than last year.

Total sales reached \$2,248,766,634 as compared with \$1,308,364,155. Net earnings of the company reached \$22,334,977, which meant \$3.77 per share to stockholders.

CALL OF THE ROLL

Mr. WHITE. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hawkes	Murray
Baldwin	Hayden	Myers
Ball	Hickenlooper	O'Connor
Barkley	Hill	O'Daniel
Bricker	Hoey	O'Mahoney
Bridges	Holland	Overton
Brooks	Ives	Reed
Buck	Jenner	Revercomb
Bushfield	Johnson, Colo.	Robertson, Va.
Butler	Johnston, S. C.	Robertson, Wyo.
Byrd	Kem	Russell
Cain	Kilgore	Saltonstall
Capper	Knowland	Smith
Chavez	Langer	Sparkman
Connally	Lodge	Stennis
Cooper	McCarran	Taft
Cordon	McCarthy	Taylor
Donnell	McClellan	Thomas, Okla.
Downey	McFarland	Thomas, Utah
Dworshak	McGrath	Tobey
Eastland	McKellar	Tydings
Eaton	McMahon	Umstead
Ellender	Magnuson	Vandenberg
Ferguson	Malone	Watkins
Flanders	Martin	White
Fulbright	Maybank	Wiley
Green	Millikin	Williams
Gurney	Moore	Wilson
Hatch	Morse	Young

Mr. WHITE. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Indiana [Mr. CAPEHART], and the Senator from Minnesota [Mr. THYE] are necessarily absent.

The Senator from Nebraska [Mr. WHERRY] is absent by leave of the Senate.

Mr. HILL. I announce that the Senator from Georgia [Mr. GEORGE] and the Senator from Illinois [Mr. LUCAS] are absent by leave of the Senate.

The Senator from Florida [Mr. PEPPER] and the Senator from Tennessee [Mr. STEWART] are absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The PRESIDING OFFICER (Mr. CAIN in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

THIRD SUPPLEMENTAL APPROPRIATION ACT, 1948

Mr. BRIDGES. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 4748.

The PRESIDING OFFICER. The bill will be read by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire?

There being no objection, the Senate proceeded to consider the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, which had been reported from the Committee on Appropriations, with amendments.

Mr. BRIDGES. Mr. President, World War II ended some two and a half years ago. It left a trail of death, sorrow, destruction, hunger, and chaos in its wake, and dislocated a large part of the world. Since the war ended, the Congress has appropriated considerable sums of money to relieve the chaotic conditions exist-

ing in the hungry conquered nations, as well as in other nations which suffered dislocations as a result of the war. The Congress of the United States was called into emergency session a month ago to consider the immediate relief needs of France, Italy, and Austria. It has studied also the requirements for relief in China and in the occupied areas of Germany and Japan.

As the Senate Appropriations Committee submits its report on House bill 4748 to match American dollars and products against the needs of these various countries, I desire to comment to the Members of the Senate on the unusual and unprecedented dispatch with which this emergency aid legislation has been considered.

To my knowledge, it is the first time in the legislative history of the Senate that an appropriation bill has been allowed to bypass so many of the formalities of consideration. We began the consideration of the bill in the Appropriations Committee before the authorization measure had been passed by the Senate, and now, within practically 24 hours after the appropriation bill was passed by the House, the Senate Committee on Appropriations is submitting the measure for the action of the Senate.

I stress the extraordinary action by which the Congress has waived its normal procedure to consider the emergency needs because I wish also to emphasize the unusual character of the legislation which we are now considering. If it is to be supported—as I believe it must be—it should be supported with two factors clearly in mind.

First, we are appropriating food and other commodities to Europe out of domestic supplies which would be exhausted totally before they could possibly meet the full needs of Europe and of the rest of the war-stricken world.

Second, we are extending dollar credits abroad with the full knowledge that their purchasing power will return in large measure to this country to place a demand on scarce goods and add volume to a currency which already is perilously near to inflation.

The future of France, Italy, Austria, China and the occupied areas is only a part of the over-all problem of export which today confronts the United States. The complete problem is one of sharing our resources with all the freedom-loving countries of the world which struggle for survival. The problem is made doubly difficult because the amounts of food and other commodities needed for the countries abroad are so much greater than our available export supply that we dare not meet the full requirements of any one country or group of countries, even for a limited time. Such help as we can offer must be apportioned over the world, wherever the needs for help are greatest and wherever the aid rendered can be counted upon to stabilize local government and encourage domestic recovery, and end the threat of communism.

In hearing testimony on the bill, the committee on appropriations has been impressed by the fact that the United States has embarked on a long-range

program of transferring to its own shoulders a major share of the world's economic burden. It is my belief that weight has been added to the burden which the American taxpayer must carry by the heavy hand of inefficient administration.

Let me illustrate, in terms of the foreign-aid proposal before us, the nature of the injustices which are inflicted on the American public, through unwise administration.

In the present relief program, American exports of edible fats and oils are in very minor quantities. But the program, as it was first presented to the committee, proposed shipments which far exceeded any available export amount. In reducing the proposed exports at the insistence of the committee, the State Department has brought this part of the program in line with common sense. But no action by the State Department now is going to correct the damage done by announcing an export program of such proportion that the domestic price of fats has doubled since August, while large quantities of an already short supply have gone into hoarding against greater shortages.

The actual preparation of the European-aid program was inexcusably irresponsible. Within 2 weeks of submitting the bill to the Congress, after the Committee on Foreign Relations had submitted its report and after the Committee on Appropriations had opened its hearings on the bill, the administration altered the allocations to Italy and Austria by more than \$16,000,000; not because the food situation had changed, but because the draftsmen of the bill had improperly tabulated the resources of Austria.

The committee was able to cut more than \$1,000,000 in this program by the simple expedient of rerouting shipments of coal. The original bill, for some obscure reason, had proposed to ship coal from the Ruhr to Italy over a long land route, while the United States shipped coal back over the same land route to Austria. At our suggestion, the State Department will adopt the obvious program of sending Ruhr coal to Austria and United States coal to Italy.

Approximately \$12,000,000 was stricken from the bill without changing its intent in any degree. Although the grain bought under the Commodity Credit Corporation could be obtained for the asking, the State Department declared the price per ton at \$7.50 above the list price. There were other such price discrepancies in the original measure, most of which, I believe have been corrected in the committee report.

The testimony which we have taken in committee hearings on this measure has given to many of us the conviction that we must continue a close supervision of the relief program after we have voted the necessary appropriations. The American citizen is paying for the program in real sacrifice that can be stated in terms of the heavy taxes he is paying, or in terms of the high cost of living, or in terms of the scarcity of goods which he can procure from his own production. The Congress which votes for this

program has an obligation to post a watch against maladministration and inefficiency.

Mr. President, I share the conviction of many Members of the Senate that the countries of western Europe must be strengthened to fight off the hostile forces of fascism and communism which threaten us because they threaten free governments abroad. I believe that China, too, must be helped by the United States as it continues its long struggle to oust from Manchuria the Chinese Communists who are being supplied arms and ammunition by a power hostile to the United States. Several members of the Appropriations Committee have been abroad this summer. We have seen at first hand the famine, cold, disease, despair, and death which make the ground fertile for the seeds of tyranny which the Soviet is sowing throughout the world. In the countries of western Europe a postwar battle of ideologies is being waged in which our dollars and our goods are weapons. Lest there be any doubt of the seriousness of the struggle or the heavy odds against which we are fighting, I would point out that even while we have considered this bill and, perhaps, because we have considered this bill, Communist-inspired strikes in France have cost that country in production two-thirds of the amount of the interim aid which this bill proposes for France.

Because the necessity of our participation in the economy of the western European countries is so urgent, we have hastened this bill through committee hearings. The same urgency has prompted us to exercise great care to correct the faults of the measure that would needlessly penalize the American citizen, who is the American consumer. Our study of this bill has convinced me that our Government has been remiss in its handling of European aid in the past, in many instances squandering our limited wealth and increasing the power of hostile governments. The job ahead is one of gigantic proportions and of momentous consequences.

Mr. President, I think we must approach the task with caution. We must at all times have concern for the welfare of our own people and our own Nation, so that we shall not waste our wealth and our resources and find ourselves at some future date without sufficient funds to pay the price for peace. Yet we must be ever alert to the dangers of the world and the security of the United States in this chaotic era.

Mr. President, I ask that the formal reading of the bill be dispensed with and that the bill be read for amendment, the amendments of the committee to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered. The Clerk will state the first amendment of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Legislative—Senate," on page 1, after line 8, to insert:

For payment, in equal portions, to Theodore G. Bilbo, Jr., son and Jessie Forrest

Bilbo, daughter, of Theodore G. Bilbo, late a Senator from the State of Mississippi, \$12,500.

The amendment was agreed to.

The next amendment was, under the heading "Funds appropriated to the President," on page 2, line 19, to strike out "European interim aid" and insert "Foreign aid."

The amendment was agreed to.

The next amendment was, on page 2, line 20, to strike out "European interim aid" and insert "Foreign aid."

The amendment was agreed to.

The next amendment was, on page 2, line 23, after the word "Italy," to strike out "\$509,000,000" and insert "\$550,000,000, and insofar as applicable to China, \$20,000,000; in all \$570,000,000."

Mr. VANDENBERG. Mr. President, I should like to submit a suggestion to the able Senator from New Hampshire at this point. I should like to preface it by saying for myself that I deeply appreciate the type of attention which the Senate Committee on Appropriations has given to this measure. When I presented the original authorization I stressed the fact that the authorization was subject to screening by the Appropriations Committee, and while in my own personal judgment it is unfortunate that the total figure has been reduced at all, nevertheless, this is such a substantial improvement over the bill as it came from the House, and it is so much more a reflection of reality than the bill upon which the committee started its work, that I am reluctantly withholding any criticism of the total figure reported. However, I should like to make a suggestion to the able chairman of the committee regarding the item with respect to China.

I do not mean to depreciate it, but this is nothing more, and could be nothing more, in this bill, than a token of our belief that the situation in China has its impact on American security, just as does the situation in Europe. Following the action of Congress in adopting China as one of the four countries to be covered in the bill, the committee has undertaken to revise the figure, and make \$20,000,000 applicable to China.

There is no way that I know of that \$20,000,000 or any other figure can be administered under the terms of this particular bill or the authorization upon which it is based, because the administrative sections of the authorization bill apply exclusively to France, Italy, and Austria. Therefore when we confront an item which says "and insofar as applicable to China, \$20,000,000," there is absolutely no plan behind the \$20,000,000. In other words, it becomes a bare token, and nothing else.

I suggest to the Senator that there might be a way to be more specific and more effective. I am not sure that we can spend \$20,000,000 for China under this bill, because I am not sure that anything is applicable to China. So I think my suggestion may appeal to the Senator and his committee, because under it there would be an assurance that something would be done for China.

This is my suggestion: There is an unappropriated balance of \$18,000,000, which is substantially the same sum as that reported in the bill, under Public

Law 84, the post-UNRRA relief bill, for which no appropriation has as yet been made. If this appropriation were made under that act, there would be a plan, because Public Law 84 has been implemented by a plan. It has been implemented by a bilateral agreement with China which includes all the protections which the Senate is so anxious to have surround our relief programs. It is a bilateral contract which at least seeks—and I think successfully—to escape from many of the criticisms which the able Senator from New Hampshire rightly levels at some of our previous administrations of relief.

My suggestion to the Senator, therefore, is that the language "and insofar as applicable to China, \$20,000,000," be stricken out, and the following language substituted:

and to enable the President to carry out the provisions of Public Law 84 in respect to China, \$18,000,000.

I submit to the Senator that he would have his token practically in the same amount, but he would not leave it hanging loose without any plan attached to it. He would have it tied to a specific program which is based upon a bilateral agreement which includes all the various protections which the Senate has sought to indicate in connection with foreign relief. It would make sure that China receives the recognition in this bill which the Senator wants.

Mr. BRIDGES. I think the Senator from Michigan, who is the very able chairman of the Senate Committee on Foreign Relations, has made a good suggestion. Of course, the interim-aid bill, as it came back from conference, did include China in the authorization. It was certainly an authorization in name. We reopened our hearings, having closed them, and had a day of hearings on China. We heard some very interesting and valuable testimony. Part of the testimony certainly revealed to me that the State Department is not anxious to give aid to China; that it is very reluctant to proceed with it. We received from very able men, such as General Wedemeyer, who represented the President of the United States, and General Marshall on a special assignment to China, former Ambassador Bullitt, and others, testimony regarding the dire need at this time for aid to bolster China's morale and to provide some of the food supplies which are necessary and which will allow them at the same time to release some of their meager funds for the purchase of small ammunition, which is one of the things they now need.

Our thought was to make at least some kind of a gesture to China, an ally of ours in the recent war, indicating that America is really interested in the fight which China is now conducting in Asia, as she had been carrying the banner long before we got into the Japanese war.

I cannot speak for all the members of the committee, but I think, in general, they would be agreeable to the suggestion, and I personally would be glad to accept it.

Mr. VANDENBERG. Then, Mr. President, I move to amend the committee amendment by striking out the language

"and insofar as applicable to China, \$20,000,000," and substituting the language "and to enable the President to carry out the provisions of Public Law 84 with respect to China, \$18,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. VANDENBERG] to the committee amendment on page 2, line 24.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. AIKEN. That would require a correction in the total amount, would it not?

Mr. VANDENBERG. I thank the Senator. The total should be \$568,000,000 instead of \$570,000,000.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, on page 4, line 16, after the numerals "1948", to insert a comma and "unless the estimates of the President after March 1, 1948, justify an increase in the amount available for export but in no event shall the amount exported leave a carry-over of less than 125,000,000 bushels of wheat on July 1, 1948."

The amendment was agreed to.

The next amendment was, under the heading "Department of Agriculture," on page 5, line 15, after the word "of," to strike out "\$2,750,000" and insert "\$1,750,000."

The amendment was agreed to.

The next amendment was, under the heading "Department of the Army—Civil functions," on page 6, at the beginning of line 13, to strike out "\$230,000,000" and insert "\$490,000,000: *Provided*, That no part of this appropriation shall be available for the compensation or other expenses of personnel engaged in dismantling nonmilitary plants in the bizonal areas of occupation in Germany."

Mr. VANDENBERG. Mr. President, I want to make a statement to my able friend from New Hampshire [Mr. BRIDGES] regarding this amendment.

I fully sympathize with the objectives which the able chairman of the committee and his colleagues have in mind. As I understand the situation, those objectives are equally shared by the State Department in respect to the dismantling of plants in Germany and their reshipment elsewhere. I was advised this morning, in response to a categorical inquiry, that it is the policy of the Department from here out to make no further shipments of dismantled plants eastward, and that if any shipments are made they will be made to the west. Of course, there is involved the basic problem of the German economy, which I am sure the able Senator and his committee intend to help support as a result of this amendment. I am sure that is one of the objectives.

Mr. BRIDGES. That is correct.

Mr. VANDENBERG. The plants remaining to be dismantled under the program, as I understand, are only such

plants as would be surplus even in a normal German economy, because the German economy was built up in anticipation of the war to such a tremendous degree that in normal times it could not possibly be sustained, either in terms of fuel or labor. The new level of industry which has been set up for Germany still leaves plants to be dismantled and still leaves ample margin above and beyond the maximum peacetime German economy of the future. The fact remains, however, that there is here a situation which ought to be carefully investigated.

Again I say that I completely sympathize with the spirit in which the committee has reported this amendment. But I want to register with them for their consideration this very serious objection to writing into the bill that which is tantamount to a complete prohibition against further dismantling of nonmilitary plants in the bizonal areas of occupation in Germany.

The dismantling process proceeds under two different agreements. In the first instance, it proceeds under the Potsdam agreement. It does not disturb me in the slightest that this would be a unilateral breach of the Potsdam agreement, because in my book the Potsdam agreement was breached long ago by Soviet Russia and is no longer binding upon us in any greater degree than it is binding upon them. Therefore, I make no point of the breach of the Potsdam agreement. I think it was torn up by the Soviets a long time ago. But the other agreement is a totally different one, namely, the Paris agreement of January 14, 1946, signed by 18 nations, most of whom were our allies in the war. I am referring to France, Belgium, the Netherlands, India, Australia, the United Kingdom, Canada, Norway, Denmark, Luxemburg, New Zealand. Representatives of those countries met in Paris in 1946 and signed an agreement with us with respect to their reparations. In other words, we must remember that it is not only the Soviets who are seeking reparations; there are others of our allies who are equally, if not more, entitled to reparations because they have had none, whereas the Soviets have probably stripped their own eastern zone in Germany of dismantled plants by way of reparations to a degree that would have to be measured in billions of dollars. They have declined to make any reports, and there is no way to check.

But here is the other side of the reparations problem: Little Belgium and the Netherlands have their definite reparations claims and a right to collect them. So have the other countries which joined in the Paris agreement of January 14, 1946. This is the point I wish to make: When these friends of ours met in Paris in January 1946 to agree upon a program of reparations for themselves—not for the Soviets but for themselves—they were intent upon getting their reparations out of current production in Germany. That was the demand they laid down in the initial stages of the conference. They wanted reparations out of current production, precisely as the Soviets have been demanding reparations out of current production. We resisted the payment of reparations out of current pro-

duction for them, precisely as we have been resisting the payment of reparations out of current production for Russia, because the payment of reparations out of current production is tantamount to payment out of the Treasury of the United States, so long as we are paying these enormous occupational expenses.

As a result of the Paris agreement of January 14, 1946, those 18 nations set up what is called the IARA, which means the Inter-Allied Reparations Agency, which is the device through which the Paris agreement to which we are a signatory functions. Under that agreement, our western allies—not our former eastern allies but our western allies—are depending upon certain types of dismantled plants for their reparations in lieu of continuing to demand reparations out of current production.

The language of this amendment, as I understand it, would stop overnight any reparations plan that was developed under the agreement of January 14, 1946. It would be a unilateral denunciation on our part of a reparations agreement with allies whom we still highly cherish, and to many of whom we are planning in the next few months to give extraordinary aid, in the hope of self-helpful recuperation. Yet, if I correctly understand the impact of this amendment, which has been reported by the committee, it would stop all dismantling and all reparations out of capital assets, and would throw all those 18 nations back into their old demand for payment of reparations out of current production, and would throw them squarely into the arms of the Soviets, who themselves are demanding payment out of current production. The policy of the Government of the United States, which I am sure every Member of the Senate will underwrite at least to this extent, is opposed to reparations payments to anyone out of current production.

Under these circumstances, Mr. President, I respectfully suggest that what the Congress should do in this instance is not to take a 24-hour snap judgment on this matter without a very careful exploration of all its implications. I think the Congress should insist upon a complete and immediate exploration of the subject. Beyond that I do not believe it is safe to go at the moment. It is my understanding that the House of Representatives has already provided for an immediate examination of the subject.

For the reasons indicated, and because the adoption of this amendment would be a unilateral denunciation of the Paris agreement of January 14, 1946—which is our agreement, not with the Soviets, although three of her satellites are involved, but essentially with our friendly allies with whom we are seeking to develop a new accord and a new relationship mutually helpful—and in view of the further fact that this amendment would throw all of these friendly allies of ours back to a demand for reparations—to which they are richly entitled there is no argument about that—out of current production, I submit, with the greatest respect for the committee, that it is not safe for us to take snap judgment on this matter this morning on such a brief sur-

vvey as is available. Even I myself cannot adequately present this case, because I know it only in its general terms. But I do know it in its general terms, and I assert to the Senate that the adoption of this amendment would destroy the Inter-Allied Reparations Agency now operating at Brussels, representing the 18 allied nations that are operating under an agreement to which we are a signatory; and in that degree, far from reaching the target which the committee wishes to reach, and which I wish it might reach, and which I am perfectly willing to join it in trying to reach, it would reach a target not contemplated or in any degree desirable. I submit that thought to the chairman, for his comment.

Mr. HAWKES. Mr. President, will the Senator yield to me for a moment, because I am very much interested in the question he has been discussing.

Mr. VANDENBERG. I yield.

Mr. HAWKES. Does the Senator from Michigan have any information that is sufficiently accurate to satisfy him that, even though the Paris agreement is in effect, plants are not being dismantled to such an extent that we shall subsequently be called upon to rebuild the plants in order to satisfy the needs and requirements of Germany?

Mr. VANDENBERG. No; I can give the Senator from New Jersey no assurance as to that; and that is why I say the matter should be ruthlessly explored, so that we may know the answer.

Mr. HAWKES. I agree with the Senator from Michigan, and I wish to say that there are thousands and thousands of American people who are thinking along that line. Some of my very ablest friends have been saying to me, "Here we are dismantling plants, but probably we shall be called upon later to make substantial payments because of that fact, because Germany is still on our backs, and probably will continue to be on our backs until we can get her started and until she can stand on her own feet. So probably we shall be called upon later to pay \$4 for every \$1 which comes from this dismantling of plants."

The Senator realizes that, I am sure, and I take it that is what he means when he says this matter should be ruthlessly explored.

Mr. VANDENBERG. I say it should be ruthlessly explored because I have heard those charges often from competent sources. I do not know the answer. The authorities in the State Department insist that the dismantling does not run below the level which ultimately is to be allowed for the operation of the German economy. But the subject clearly is of major and vital concern, and I have no quarrel whatever with the Appropriations Committee for underscoring it as it has. In fact, I am very glad the amendment came in—I shall even go that far—provided we do not now move too swiftly and without adequate information in respect to all the implications, because I remind the Senator that what I have been discussing this morning is that the action here contemplated affects not only Germany, not only the Soviets, but fundamentally and primarily our

friendly allies in the Low Countries and in Scandinavia and among the British dominions, who also have a right to consideration in connection with reparations.

I wish to make one further statement to the Senator. He has spoken of the desirability of getting Germany off our backs. I entirely agree with him on that score; but I say to him that in my opinion the adoption of this amendment would work in precisely the opposite direction, because it would drive all the 18 friendly countries, who now are cooperating with us in every other direction, back into a demand for reparations from current production. It would drive them squarely into the Soviet camp, which stands for a demand for reparations out of current production. Then we would confront a united Europe demanding the payment of reparations out of current production; and if that should occur, we never would get Germany off our backs.

Mr. HAWKES. I agree with the Senator from Michigan, but he also realizes, I assume, that there is a little intermixture between current production, on the one hand, and taking away plants which cannot make production, on the other, but which may be needed. That is the point I have in mind.

Mr. VANDENBERG. I agree with the Senator.

Mr. HAWKES. I thank the Senator for what he has said. Because I think I am in favor of what the Senator is discussing, I should like to ask him whether he knows that we have this matter so thoroughly impressed upon the committees of the Senate and the House that they are not going to lose any time in going at it, and getting the things which the Senator says are not positively available today.

Mr. VANDENBERG. If there were any way to write a mandate into the law, I should be perfectly willing to do it. I do not want to make a shotgun effort at something which has such infinite implications, which may not be contemplated at all in connection with what we are actually aiming at.

Mr. HAWKES. Yes. I merely wish to add that today we are all dealing with things in no-man's land. The Senator knows that and I know it. If we found that the agreement made in France in 1946, to which the Senator has referred was unsound, and if we decided that through the continuance of it we would lose perhaps hundreds of millions of dollars, we would want to correct that agreement at the earliest possible moment and I am sure the friendly allies to whom the Senator has referred would want to join in correcting something done in January 1946, which now turns out to be foolish and most unprofitable.

Mr. VANDENBERG. I quite agree with the Senator.

Mr. HAWKES. I thank the Senator from Michigan.

Mr. MILLIKIN. Mr. President, will the Senator from Michigan yield?

Mr. VANDENBERG. I yield.

Mr. MILLIKIN. It seems to me the distinguished Senator from Michigan

has made an unanswerable case, so far as attempting by this means to alter the agreement that we have made is concerned. I should like to carry a little further the point which has just been made by the distinguished senior Senator from New Jersey. It seems to me that the agreement referred to can now be viewed in the light of subsequent events, to wit, among others, the impending Marshall plan. The impending Marshall plan gives us adequate consideration to the extent that we shall enter upon it to bring about a review and sensible reorientation of all prior agreements of that type. I fear very much that, whether out of current consumption or whether out of capital consumption, we will be paying the reparation claims against Germany. We should take no step, we should fail in no step, that would prevent that review and reorientation coming about.

I am wondering whether we may hope, as a result of the conversations here this morning, that the State Department, as a practical matter, will go into slow motion on these dismantlement projects, until appropriate steps can be taken, so that in the end we will not be paying the reparation claims against Germany.

Mr. VANDENBERG. I entirely agree with the Senator, and I say two things to him in response to his comment: First reminding him that this problem is a bizonal problem, now that we have joined the British and American zones, I can say to the Senator, on authority, that the State Department is seeking now adequate arrangements with the British to terminate even the tag end of any shipments of dismantled plants to the east.

I say to the Senator, secondly, that the Senate Committee on Foreign Relations intends to explore the so-called Marshall plan to the utmost limit, when it is submitted. In fact, on the motion of the minority leader in the committee yesterday, we have set January 7 as the day when the public hearings will start, and I give the Senator my assurance that among the subjects which will be explored to the bare bone, in that connection, will be the subject of dismantled plants and reparations, because, as the Senator indicates, there is inevitably involved in every phase of this matter an ultimate reimposition of burdens on the American people.

Mr. MILLIKIN. I wish to express my gratification at the assurance which we have just received. If the distinguished Senator would also assure us that he will use his own good efforts to bring about a practical slowdown in the disposition of plants to western Europe until we can ransack this subject thoroughly, I should be completely reassured.

In that connection, Mr. President, I should like to suggest that there is the greatest controversy and difference of opinion as to the wisdom of the present level-of-production plan for Germany.

Mr. VANDENBERG. Certainly.

Mr. MILLIKIN. At the present time its validity is under the most serious challenge, and I doubt very much

whether there is a great deal of general public confidence behind it. I do hope we can go into slow motion on the whole level of industry theory, until it can be completely reviewed, and that we shall not be presented with a fait accompli by the time we have finished our own studies.

Mr. VANDENBERG. Let me make one further comment to my able friend from Colorado.

The indefinite adjournment of the Council of Foreign Ministers in London, in my opinion, forces us to a reassessment of the entire situation, which inevitably involves the slowdown process, to which the Senator from Colorado refers, in respect to past commitments and past devices and procedure, although I hope it does not mean a slowdown in ultimately reaching an effective and adequate basis upon which a trizonal western Germany can hope to start to commence to begin to refraction, both economically and politically, on a basis of adequate self-sufficiency, guarded constantly and always and forever against any possibility of resurgent militarism.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Kentucky.

Mr. BARKLEY. First, I wish to associate myself with the Senator from Michigan in the attitude which he assumes toward the pending amendment. I have been in Germany two or three times since the end of the war, and even making a diligent effort to ascertain the merits on one side or another in regard to the dismantling of plants, it is difficult to arrive at a cocksure opinion as to what should be done with any one of them.

The agreement to which the Senator referred a moment ago contemplated the dismantling of plants, obviously war plants, in order to demilitarize Germany, and others which might be used for war purposes, although they had a domestic value in the production of consumer goods, based upon the theory that there are but two alternatives in regard to reparations. One is, as the Senator has indicated, to pay them out of current production, and the other is to pay them out of industrial plants which have been built up in Germany, all of them keyed to a war program.

One might stand and look at any given plant, he might undertake to allocate to it its proper proportion of war production and its proportion of peace production, and he might have some difficulty in determining whether it should be dismantled, even in order to be moved into another country and reestablished and rebuilt as a part of reparations. But it is certainly obvious what must be done unless, as the Senator has already forcefully stated, we are going to take the alternative of trying to pay reparations to the countries which have been devastated and ruined by German aggression, which certainly to some extent, even above the needs of Germany, have some sort of priority over reparations, and over consideration of the internal situa-

tion in Germany. Not, of course, to make Germany impotent, but in order to balance the allocations, we certainly cannot overlook the priority claims of these nations. Therefore if we do not pay reparations, whatever they may ultimately be decided to be, out of the plants that are being dismantled, some of which are being moved into other countries—there is a question about whether that is economically profitable or not, in some cases—we must then provide that out of current production, which means in cash out of our pockets, reparations shall be paid. As a member of the Foreign Relations Committee, so far as I have any influence, during the hearings on the Marshall plan, I shall certainly cooperate to bring about a searching investigation of the whole situation, with a viewpoint, it may be, of reaching some conclusion, some agreement and understanding with all parties concerned as to any slow-down in dismantling, and the ultimate effect of the dismantling. So it seems to me, despite all the diligent efforts that have been made by the Members of Congress who have gone to Germany, including the able and fair-minded chairman of the Committee on Appropriations and also other members of the Appropriations Committee, despite all our efforts to obtain the low-down on the merits of the proposition on one side or another, we still do not have all the facts we need, we do not have the ultimate answer, and I think it would be most unfortunate for us to take unilateral action that might be regarded as a repudiation of our agreement with other nations. Notwithstanding the fact that the conduct of the Soviet Union with respect to the Potsdam agreement may have relieved us of any obligation in respect to that agreement, we still have our own good faith to preserve and to assert in regard to the other agreement to which we are a party, and which nobody anywhere has thus far repudiated or violated, so far as I know.

Mr. VANDENBERG. I agree with the Senator, particularly in his last statement. Stand on the Potsdam agreement. I reiterate, I think the Potsdam agreement became a scrap of paper a long time ago as a result of Soviet repudiation of many of its obligations. But I do stand upon the Paris agreement signed by 18 nations, most of whom are among those that we are taking to our bosom in the hope that we can create a free world of freemen.

Mr. BARKLEY. I think, if I may make this additional observation, the whole economy and the international situation would gain more by putting off this matter until we have obtained all the facts, than it would lose by eliminating the amendment to which the Senator has referred. That is my feeling about it.

Mr. VANDENBERG. I think so. I should like to add, if I may, that nothing I am saying is even remotely critical of the committee in the action it has taken. Personally, I am very glad it did exactly what it did, because it forced a ventilation of the situation on the floor of the Senate, and it forced certain legislative commitments to inquiry and action, which are well worth having in the

RECORD, so that even though the amendment be now withdrawn, I submit that the committee will not have labored in vain in bringing it to the floor.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Texas.

Mr. CONNALLY. I very heartily agree with the idea that it is a matter that needs very thorough examination. The Committee on Foreign Relations proposes to make such a thorough examination in connection with hearings on the foreign-aid bill. As a matter of fact, what is being done or what is proposed to be done ought not to be done hastily. As a matter of fact, the dismantling of plants as a rule is not an economic process, and my information is that in some cases in Europe it has cost more to dismantle a plant than the plant would probably have been worth. Furthermore, some of the plants, instead of being completely dismantled, may be converted at a later date into useful plants for the manufacture of commodities not of warlike character; and so I very much hope that there may be a thorough examination of the whole problem.

The world is unsettled. The economy of the 18 countries even is still unsettled to a large degree. Belgium is coming back very rapidly; Holland, to some extent; but still it is not known what ought to be done in many cases. I, for one, heartily agree with the idea expressed by the Senator from Michigan [Mr. VANDENBERG] and the Senator from Kentucky [Mr. BARKLEY] that the matter ought to be thoroughly investigated, with a view to determining the safest and soundest and most economical plan, with due regard to the countries to whom we are obligated by any agreements that are now in existence.

We confronted much of the problem when we considered the treaties with Italy. The questions of current production, reparations, and kindred matters, as well as the dismantling of plants, were before the Peace Conference in Paris. I very much hope that the Foreign Relations Committee will be able to effectuate its purpose of giving an exhaustive examination of the whole situation, and of keeping the State Department and the military government in Germany advised as to what we shall do in the zones over which we have jurisdiction.

The probabilities are that since we have a new agreement with Great Britain, we shall bear a larger responsibility and that there will be greater activity on the part of the United States in perhaps both the British and French zones. As a result of the breaking up of the Conference of Foreign Ministers, it seems to me inevitable that in the three zones, there must be a closer alliance on the part of France, the United States, and Great Britain, in respect to economic and political affairs in western Germany. Other indications resulting from the break-up of the Conference of Foreign Ministers I shall not undertake to discuss at this time. At a future date, I hope to be able to address the Senate on the questions, Where do we go from

here? What are we going to do? Are we going to sit still and let one voice in all the world determine the course of affairs of the world for perhaps the next generation, or will the nations that fought the war be given a voice in the determinations without the ever-present jack-in-the-box of a veto, of one voice and one nation as against almost the entire civilized world?

I heartily concur in the suggestion that the question be thoroughly and exhaustively examined with a view to reaching a sound, safe, and fair agreement or understanding.

Mr. ELLENDER. Mr. President, can the Senator from Michigan tell us how much of the \$490,000,000 involved in the amendment under discussion was occasioned by the withdrawal of the British Government from its obligations to pay its share of expenses in her own zone of occupation?

Mr. VANDENBERG. The Senator from Michigan has had nothing to do with that particular phase. I refer the Senator to the Senator from New Hampshire.

Mr. BRIDGES. The amount is \$227,000,000.

Mr. ELLENDER. For what period of time, may I ask, Senator?

Mr. BRIDGES. For the period from now until June 30, 1948.

Mr. ELLENDER. Does the Senator know how much more it will cost the Treasury of the United States on an annual basis, by reason of the withdrawal of the British of its financial support?

Mr. BRIDGES. The amount is \$227,000,000.

Mr. ELLENDER. No; I am talking about the yearly basis in the future. The Senator has already given the figure to June 30, 1948.

Mr. BRIDGES. I do not know, because it is not known what the recovery of Germany will be in that zone, and, therefore, it would be merely a guess. I should say, however, that if \$227,000,000 is our part in the British zone for the next 7 months, let us say, that would be some indication of the amount.

Mr. ELLENDER. Probably from \$350,000,000 to \$450,000,000, if not more?

Mr. BRIDGES. I am informed the sum is \$227,000,000 instead of \$227,000,000.

Mr. ELLENDER. I desire to thank the Senator. Does he know to what extent the agreement between Britain, the United States, and France was changed, except as to that portion relating to the withdrawal of financial support by Britain?

Mr. BRIDGES. It is our understanding that Britain agreed to maintain her occupation troops.

Mr. ELLENDER. I understand.

Mr. BRIDGES. And to maintain the civilian employees, 18,000 in number.

Mr. ELLENDER. Britain was obligated to do that under the first agreement?

Mr. BRIDGES. Yes.

Mr. ELLENDER. But what additional changes were made in the agreement, except for Britain's withdrawal of financial support?

Mr. BRIDGES. I do not know, except that as we assume additional support we are supposed to assume additional authority in the economic phase, particularly as to exports and imports and in allocation of matériel produced in Germany.

Mr. ELLENDER. Does the Senator know what the attitude of France is toward discharging her share of financial obligations? Will she keep on paying her just share of expenses in support of the program or is any move being made by the French to place themselves on the same basis as the British?

Mr. BRIDGES. I do not know. The Senator might ask the Senator from Michigan [Mr. VANDENBERG] respecting the French phase of the matter.

So far as our committee has been told—and the Senator from Louisiana knows I am not on the inside of things so far as the State Department is concerned—we have not been advised as to any demand on the part of the French for us to assume the financial obligation in her zone as we have assumed the British financial obligation.

Mr. ELLENDER. I presume the French are going to make a similar demand as the British. As a matter of fact, it is in the cards that since we took such action with respect to the British we will have to do it for the French. From what I can understand, the French are as bad off for want of dollars as are the British. My guess is that it will not be long before we are called upon to foot the entire bill of cost in the occupation zones of Britain and France. Now, I will venture another guess that, although we will pay all costs, the British and the French will be the chief beneficiaries of any plan that is finally evolved for the recovery of western Europe. In other words, we will be left holding the bag. We are now pouring our money and goods into western Europe and other parts of the world so as to create competition for us in the future. Sounds silly, does it not? I stated what I am about to say on other occasions and that is: Many nations of the world are expressing grave fears of the big "Bear" in the hope of arousing the American people to come to their assistance. What western Europe needs now more than anything else is the restoration of faith in the currencies of the countries in western Europe. There is no incentive to produce on the part of agriculture and industry of those countries because of a lack of faith in their medium of exchange. I will have more to say on the subject at a later date.

Mr. President, I have supported the stopgap aid program with a more or less "Red Cross aid" complex. My votes in that regard are not to be used as a criterion of what I shall do when the Marshall plan is presented to us for consideration.

Mr. President, I am somewhat stumped in my thinking when I am confronted with the proposition that we, as a conquering nation, are being called upon to assist most of the countries that fought on our side, and on top of that we are called upon to help to restore prosperity as to all countries we helped to defeat. The Marshall plan envisions a further as-

sault upon our own economy. Can we maintain our present pace of spending and of the depletion of our resources and still survive? What if a time should come when we cannot make available for our own people their basic needs, such as good housing, a fair amount of education, decent hospitalization, or the like? I will have more to say when we meet again. In the meantime I will ask Senators to search the pages of history for a precedent for our course of action—where as conquerors a nation has been called upon to rehabilitate those who assisted her in conquering and at the same time give assistance to bring back prosperity to those nations that were conquered.

Mr. BARKLEY. Mr. President, in line with what was said a short while ago, I should like to call attention to one instance which emphasized, it seems to me, what the Senator from Michigan has said. Norway was in no sense an aggressor during the war. Hitler's armies occupied Norway as a strategic movement, probably to prevent the Allies from occupying Norway and using it as a means of getting into Germany or fighting the Germany Army in that section of the world. But during the occupation of Norway by the Hitler armies they ruthlessly destroyed not only anything that might be used for military purposes if the Allies secured possession of Norway, but in the northern part of that country they ruthlessly destroyed many of the plants which had previously competed with German industry, and which might hereafter compete with them. Hitler's armies destroyed plants which had no military use whatever. His armies ruthlessly destroyed them in order to eliminate competition. Now certainly the claim of Norway against Germany for reparations for damage which she ruthlessly inflicted on Norway, has at least equal validity to the claim of the German people in regard to the restoration of their own economy.

In addition to that, in the city of Warsaw—

Mr. VANDENBERG. Before the Senator leaves Norway, I wish to say that Norway is one of the signatories to the 18-nation agreement, and if we adopted the amendment, Norway would be one of the countries upon which we would be unilaterally turning our backs without even an apology.

Mr. BARKLEY. It seems to me that we ought not to foreclose a possibility of Norway asserting an equal claim for reparations in the economy of Norway with that of Germany, which might hereafter be impossible of consummation or liquidation if we now say that no dismantling can be done.

I was about to speak of Warsaw. Of course, Poland is now under the domination of the Soviet Union, as we regretfully acknowledge, but Poland was likewise invaded by the Hitler armies without any act of aggression on the part of the Polish people. Warsaw is the most ruthlessly destroyed and devastated city in all Europe. Certain portions of Warsaw were destroyed not because they had any military value, but because the order was given to

destroy the city of Warsaw. There are certain portions of that city which are leveled off so that there is not even an empty wall standing like a silent tombstone. Under the ruins of that portion of the city of Warsaw there are today 30,000 persons still buried—a gruesome, incredible thing.

Notwithstanding the present hook-up or tie-up or relationship between the Russian Government and the Polish Government which is now in control of Poland, certainly the Polish people, when we consider the unprovoked devastation the German armies wrought upon the Polish people and the Polish economy, are entitled to present a claim of equal validity with that of those who devastated Poland and destroyed her cities, when the time comes to decide on reparations. It seems to me that we ought not to foreclose their right to do that, or if we do not foreclose their right to do that, foreclose their ability to realize upon the validity of their claims.

Those are only two instances in which it seems to me we can emphasize the position taken by the Senator from Michigan with regard to the desire to go into this subject more thoroughly before we take any unilateral action upon it.

Mr. VANDENBERG. Mr. President, in view of the record which has been made I wonder if my able friend the Senator from New Hampshire would resist the deletion of the amendment.

Mr. BRIDGES. Mr. President, I should like to say a word on the matter. This has had the attention of the Appropriations Committee for some time. The Treasury of the United States is not a bottomless pit. Our resources are limited, in spite of ideas to the contrary on the part of many people throughout the world. We must take account of stock. Recently members of the Appropriations Committee of the United States Senate went abroad. The night before we sailed we were in the Savoy-Plaza Hotel in New York City. The Department of State sent a representative to us to give us a briefing on what we would find in Europe. The man sent to brief us was the special assistant to the Secretary of State, Mr. Charles E. Bohlen. Mr. Bohlen arrived, and among other things he told us that there was no dismantling going on in Germany. That information was incorrect. I called Mr. Bohlen's attention to that fact. That discomfited him. But it was with incorrect information regarding the German dismantling program that we sailed for Europe. When we arrived in Germany we were told that only the war plants were being dismantled. That information was incorrect also.

Now as we traveled through Europe one of the things which we noticed was the totally inadequate supply of soap. We could not go to a hotel, to a home, or to a restaurant and find soap. The soap ration allowed an individual in Germany is a small bar about the size of the ordinary American hotel soap bar. Even that is blown up so that it is very light. Members of our committee washed their hands with such soap, and if one does not want to do a good job of washing his hands, such a bar of soap will provide him with three washings. Such a bar of

soap must last a German for a full month. A doctor of medicine, or a patient in a hospital, or a child under 2 years of age, receives a somewhat larger bar of soap per month. Soap is one of the dearest articles in Germany or in all of Europe. I cite this that the Senator from Michigan may know he is misinformed by the State Department when they tell him that the only factories or plants on the dismantling list are those which are not used or are not needed in Germany. If there is anything that is needed, it is a soap factory.

Our committee divided. Some of the members went to one kind of factory, and some to another kind. Among the factories which I visited was a soap factory. It was manufacturing 1,500,000 bars of soap of the little blown-up hotel type of bar soap, and 400,000 physicians' baby-patient type bars of soap a month. Yet that factory was on the list to be dismantled.

I could continue and tell about this factory and that factory. I could list them, not by tens, but by hundreds. I have in my possession a certain list, which I bring to the attention of the Senate. I do not know whether there are any more copies of this list in the country, but I have it. It is the property of the Committee on Appropriations. It is a list of 682 plants to be dismantled in Germany.

Is this a problem, or is it not? We are taking over the British zone. The bulk of the plants in the American zone in Germany have so far gone to Russia and her satellites. We have rushed to completion the dismantling of 95 percent of those plants in the American zone. The great bulk of the plants in this new list are in the British zone, the financial burden of which we are called upon to take over—\$237,000,000 now and hundreds of millions of dollars later. So it is our problem. It is an American problem. It is the problem of the American taxpayers. We cannot dodge it, and the United States cannot dodge it.

Why have we hurried so fast to dismantle the plants in the American zone? I had very great difficulty finding out what was going on. Every one seemed to deny what was going on. Finally I got to one state in Germany, Bavaria. I hold in my hand the Bavarian Economist, which is a publication of the Office of the Military Government of Bavaria, for September. That is recent. We were in Bavaria in October. All the members of our committee have seen this report. We were told by the State Department when we were sailing that no dismantling was going on. We were told that by others. Yet from the official document for just one state in Germany, let me read what dismantling went on in August and where the plants were sent. This is from the September report:

Yugoslavia, 846 tons, value 2,311,548 reichmarks.

Czechoslovakia, 582 tons, value 1,479,180 reichmarks.

Soviet Republic, 417 tons, value 524,938 reichmarks.

Poland, 246 tons, value 261,096 reichmarks.

Of the first six nations receiving these dismantled plants, five of them are Rus-

sian satellites. Do we need to do something about it? Are we out to stop communism, or are we not?

Mr. President, it is time for Americans to take stock. I am in favor of dismantling the war plants of Germany, of course; but I am not so stupid that I want to send them to Russia, the one great threat to the peace of the world, and the one great threat to America. I would rather blow them up. The stupid, asinine policy of the United States of America, as exercised by the State Department, is beyond my very humble understanding. How can we call upon American taxpayers for hundreds of millions, and even billions of dollars, to stop communism in one place, and then turn over to the only potential enemies we have in the world millions of dollars worth of supplies? It is beyond my understanding.

The reason for this amendment is to bring the problem to the attention of the American public and the world. We think it is time that this policy should stop. What could be more appropriate than to do it when goods are scarce in America, when the price of food is going up, when taxes are high, and still not reduced? We are called upon to appropriate hundreds of millions of dollars more of the taxpayers' money, to be used to buy American goods to force prices still higher.

We are continuing the policy of building up the only potential threat to us in the world. How can anyone advocate, either on the floor of the Senate or anywhere else, the shipment of death-dealing materials to Russia, Yugoslavia, and other nations?

I was in Trieste with the Committee on Appropriations. Trieste is one of the hot spots of the world. I saw American soldiers and American tanks on the line, fearful of attack at any moment. I have been with the members of my committee to other countries, and have visited other hot spots. I know where the potential danger lies.

Mr. President, this is a very serious subject, and I wish to deal with it in a very practical way. I pay tribute to the distinguished chairman of the Committee on Foreign Relations for his very fair manner of presenting the case. However, I will say to him that I do not believe that he has been told the whole story by those who gave him his information, because the picture is much grimmer than it has been painted for him. It cannot be passed off in a casual manner, as some of our officials attempt to do.

This particular amendment may not accomplish the purpose; but it was the only practical way I knew of to approach the problem and bring it to a head. I will admit that it will probably not accomplish anything so far as the British zone is concerned, from which the chief items of future reparations are to come. It may be ineffective in the American zone because American officials have been so anxious to get this material to Russia, Yugoslavia, and the Soviet allies that they have been rushing double time to dismantle those plants and get them across the line.

That is the truth about what American officials have been doing. The British have been a little more conservative in their attitude, so there is still some distance to go.

The stoppage of payment of personnel will not affect the British, because the \$237,000,000 in this appropriation for the British zone does not go to pay personnel. At least I hope it does not. Therefore I admit that the amendment may be ineffective in some respects. However, it does bring the question to a head. I do not mind taking such an amendment to conference to see if some language can be devised which will be effective. I should regret to see the Senate turn down this amendment, which seeks to bring this great issue before the American people.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. TAFT. Does not the Senator feel that if the Senate went on record in this way, the dismantling of plants would stop, even in the British zone, until further investigation had been made by the Senate?

Mr. BRIDGES. I do.

Mr. TAFT. Even though there were no actual legal restraint on such action?

Mr. BRIDGES. I agree with the Senator.

Mr. DWORSHAK. Mr. President, as a member of the Appropriations Committee I desire to express my full support of the position taken by the chairman of the Committee on Appropriations in regard to this proposed amendment. I realize the difficulty of opposing in any way the policies of the Senate Committee on Foreign Relations. In the brief remarks which I shall make at this time I have no desire to be critical of that committee. I realize that its distinguished chairman frequently has been placed in a most difficult position in attempting to reconcile many of the inconsistent and stupid policies in the foreign relations field advocated by the New Deal administration.

Is there any Member of this body who does not realize that a little more than 2 years ago that "great" Secretary of the Treasury, Henry Morgenthau, proposed to make Germany impotent, to make it an agricultural state, to destroy its industrial productivity? If at that time any Member of the Congress had been critical of that ruthless policy he would immediately have subjected himself to censure and condemnation. But now, 2 years later, we find that almost everyone recognizes the inherent stupidity of the Morgenthau plan.

I was pleased this week to read a newspaper account quoting the distinguished senior Senator from Georgia [Mr. GEORGE] who pointed out that the Morgenthau plan had proved to be a tragic mistake. I was opposed to that plan when it was proposed. After 2 years of full administration support of the Morgenthau plan everyone agrees it should be repudiated. But we have lost 2 years of valuable time.

We should recognize that if we destroy the productivity of industrial Germany it will be necessary for the American tax-

payers to deal out more billions of dollars. We have expended \$19,000,000,000 of the money of the American taxpayers since VJ-day in attempting to rehabilitate some of the war-devastated countries. If the appropriation provided in this bill for governmental assistance in Germany be approved, during this fiscal year we shall expend in excess of \$1,000,000,000. For what? To make amends partially for the tragic dislocation resulting from the adoption of the Morgenthau plan.

When members of our group were in Germany last summer we were astounded to find the chaotic conditions which obtained there. There is no stability of currency in that country. Why? Because that same former Secretary of the Treasury more than 2 years ago made available to Russia currency engraving plates. The reports we received in Germany were that the Soviets had used those plates and had printed approximately \$10,000,000,000 worth of German marks. To do what? To cause chaos, disruption, and inflation, and ultimately to make it more difficult for the German people to support themselves.

The Marshall plan now proposes that the countries in Europe shall become more self-sufficient; but when those plates were given by Henry Morgenthau to the Russian Government and when the Soviet dictators printed 10 billion marks, it was inevitable that there should be the inflation, the instability, the chaos, and the economic disruption which we find everywhere in Germany today.

We should not dismantle industrial plants in Germany and retard economic recovery there. We were told by General Clay in Berlin during our conference with him last October that his hands were tied, that he could not do many of the things he knew should be done. Why? Because under the terms of the Potsdam agreement the American people had been sold down the river. Those are not the words of General Clay, but that is the only inference which anyone could draw from his remarks. Everyone knows what took place at Yalta and Tehran. Subsequently at Potsdam, little consideration was given to what was best for the American people in helping to stabilize conditions in the war-devastated areas of Europe. Now we are asked to permit hundreds of plants to be taken out of Germany; and then it will require another billion or two billions of dollars next year to attempt to overcome the tragic blunders which have been made. Under the dismantling program, 25 percent of the plants automatically go to Russia and Poland, and out of the remaining 75 percent which goes to western European countries, 14½ percent is allocated to Yugoslavia, Albania, Czechoslovakia—countries behind the iron curtain.

But, my colleagues, it will not make much difference when we destroy the productivity of industry in Germany and when we disillusion those people because of the fallacious foreign policy adopted by this country during the past 2 years. Additional requests and demands will be made of the American people through the Congress for additional billions of dollars in order to build up resistance in

Germany and some of the other countries to the expansion of Russian communism. We are all opposed to communism. But under the policy which we have been pursuing, with one hand we spend billions of dollars under lend-lease and UNRRA to strengthen the Soviet Government and her satellite and puppet states, and then with the other hand we propose to take seventeen billions of American dollars to implement the Marshall plan.

It is difficult for me to understand how we can travel in opposite directions at the same time, how we can strengthen Russia, and, at the same time, seek to build up other countries in Europe to resist Russian aggression. It seems to me the time has come to scrutinize our foreign policy and not wait until next year or the year after to determine whether reparations shall be assumed by our country. We cannot justify dissipating our own resources.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DWORSHAK. Yes.

Mr. VANDENBERG. Will the Senator permit me to say just a word?

Mr. KNOWLAND. Yes.

Mr. VANDENBERG. I appreciate the sympathy which the Senator from Idaho extended to me in what he has described as my difficult position from time to time in sustaining the stupidities of the State Department. I can assure him that I am not conscious of any embarrassment at all, at any stage of the game, because I have never defended anything in which I did not believe. I shall never defend anything in which I do not believe.

This is hardly the time to range the entire scope of our foreign policy in debate if we hope to terminate the session this evening, but I should like to say to my able friend from Idaho that, rightly or wrongly, I move from one fundamental concept, and it is a concept which consults intelligent American self-interest, in respect to foreign policy. I refer to the fundamental concept, right or wrong, that the things that we here do now in the present crisis abroad determine, first, whether there is to be a World War III, or, second, whether America is to be economically isolated, fatally isolated, in a Communist world. We may disagree as to the procedures which best serve these objectives; but it is no embarrassment to me, Mr. President, at any time, whether my colleagues agree with me or not, to stand upon my feet in defense of what I believe is indispensable to the prevention of World War III and to the prevention of America's isolation in an economic Communist world. Senators need waste no sympathy whatever upon me. I have been just as critical of the State Department in many aspects as they have. I doubt whether either the Senator from New Hampshire or the Senator from Idaho has condemned the Morgenthau plan any earlier, any oftener, or any more vociferously than I have. I doubt whether any Senator on this floor has condemned any agreements made at Yalta or Potsdam any oftener, any earlier, or any more vociferously than I have; and I can tell the Senator from Idaho and my other colleagues that they have to go a long way yet in their denuncia-

tions on the floor of the Senate before they can rob me of the place I have had at the top of the Communist black list ever since Yalta. So let us have no misunderstanding about either the status or the viewpoint of the Senator from Michigan or his purpose to carry on.

There are a great many things in this foreign policy which have not met with the approval of the Senator from Michigan, and an analysis of the records might result in quite an amazing disclosure of the useful effects, perhaps, of his advice upon occasions.

In the present instance, the subject pending before the Senate involves just one question: Shall the Senate of the United States undertake by a legislative amendment to an appropriation bill to denounce unilaterally a treaty with 18 friendly nations, under which we have agreed to a reparations procedure? If any Senators wish to do that, they are welcome to. I decline to.

AMERICAN FOREIGN POLICY

Mr. KNOWLAND. Mr. President, I regret at this time to interpose a somewhat different subject into this debate. I believe that it does have a definite effect upon our appropriations, both for Germany and for Japan, and feel that I am amply justified, due to the seriousness of the subject, in calling it to the attention of the Senate of the United States at this time.

Mr. President, the Congress and the country are entitled to know the basic American policy being carried out by this Government abroad.

In time of war, there is recognition of a need for withholding information as a security measure. However, in peacetime, Government departments have used the classification of material as a means of keeping facts from both the Congress and the people.

While there are still some fields in which the vital national interest requires a high degree of security, and while there is a general recognition that in the preliminary discussions looking toward the formulation of policy, there may be justification for preventing premature releases of information, it is not in my opinion justifiable to use this cloak, except in extraordinary circumstances.

There are very few Members of the Senate or of the House of Representatives who have seen the document FEC 230. It was issued under a confidential classification on the 12th of May. This document when presented to the Far Eastern Commission was the official statement of policy of the American Government which was recommended for adoption by the Commission with respect to certain economic policies to be followed in Japan.

Not only is a basic question of foreign policy involved, but the Congress also has an interest growing out of the appropriations necessary to help get the occupied territories of Japan, Germany, and Korea back on a basis where they will become self-supporting and able to function again in the family of nations. The longer it takes to bring about their economic rehabilitation, the more it will cost the American people. For this reason, I have asked the Appropriations

Committee to go thoroughly into the policy enunciated in FEC 230 and other similar directives regarding the economy of Japan.

Although I am in complete accord with the policy of breaking up cartels and trusts in both Germany and Japan, I believe that FEC 230 and other policies being followed in Japan go far beyond this.

If some of the doctrine set forth in FEC 230 had been proposed by the government of the U. S. S. R. or even by the labor government of Great Britain, I could have understood it. As a statement of policy being urged by the Government of the United States, I find a number of the proposals so shocking that I have today written a letter to the Secretary of State asking for certain specific information, and I have also addressed a communication to the chairman of the Foreign Relations Committee of the Senate.

On Monday of this week a copy of FEC 230 came into my possession. I was so shocked by what I read that at the next meeting of the Appropriations Committee I requested Mr. Walton Butterworth, of the State Department's Far Eastern Division, to officially supply a copy of this document to the Senate Committee on Appropriations.

On December 17, in response to my request that a copy of the document be made available to the Appropriations Committee, the Department of State replied by stating that it did not have the authority to declassify the document as I had requested. The Department of State pointed out that Gen. Frank McCoy, in his capacity as Chairman of the Far Eastern Commission, stated that the document could not be declassified without the approval of the Far Eastern Commission, but he approved the submission to the Appropriations Committee of the document in its classified form. The letter of transmittal from the State Department to the Senator from New Hampshire [Mr. BRIDGES] signed by Frank G. Wisner, deputy to the Assistant Secretary for Occupied Areas, stated:

In connection with your consideration of this document, I should also like to point out that various aspects of the policy to which it appertains are currently undergoing an extensive review by the Departments of State and of the Army. The purpose of this review is to determine to what extent the policy should be modified in the light of all the circumstances, including developments which have taken place since this policy paper was originally prepared. For this reason and for the further reason that the document will undoubtedly undergo changes in the course of its progress through the Far Eastern Commission, it cannot be assumed that the document in its present form represents final policy.

I do not believe that the State Department is dealing with complete candor in regard to this matter.

The fact of the matter is that the policies laid down in FEC 230 are the policies which the Government of the United States itself is advocating before the Far Eastern Commission. If anything, the other members of the Commission are apt to strengthen rather than to weaken its provisions.

While the document itself may have been temporarily withdrawn due to a

controversy on the subject going on now within the American Government, the fact remains that the policies and philosophies enunciated under FEC 230 are still playing an important part in the economic and political life of Japan.

A short time ago American occupation officials gave their tacit approval, if not their active support, to the adoption in the Japanese Diet of four bills which set up the laws and machinery to put into effect the type of economy outlined in FEC 230. These bills are: The economic decentralization bill, the Holding Company Liquidation Act, the special law to liquidate Zaibatsu companies, and the act to nationalize the distribution of foodstuffs, liquors, and oil. The correspondent of one of the large American newspapers called the last of these bills the most socialistic ever attempted outside of Russia. I am informed that detailed instructions for implementing the economic decentralization bill have already been issued to the Japanese Government by Dr. Edward C. Welsh, the occupation official in charge of breaking up business concerns. Dr. Welsh was previously an assistant professor of economics at Ohio State University and worked in Washington on the OPA.

I might interpose to say that Dr. Welsh was on leave from his university and became connected with the OPA in March 1942. He was an economist with the OPA. He was originally price executive in OPA, from 1942 to 1944, and was national field operations officer in OPA from June 1944 until about the expiration of OPA.

Without any provision for a prelude of accusation, trial, or conviction for war crimes or other offenses, the American policy under FEC 230 is that all individuals who have exercised a controlling voice in the large economic organization of Japan as managers, stockholders, or creditors or in any other capacity should be divested of all corporate liquid assets and business property; ejected from all positions of governmental responsibility, and forbidden from purchasing corporation security holdings, or from acquiring positions of governmental responsibility at any time during the next 10 years.

This document, however, goes far beyond even this arbitrary purge, and sets forth in the name of the American people and the American Government a sort of bill-of-attainder doctrine by proposing further that all persons likely to act on behalf of any of the individuals above enumerated should be subjected to substantially the same restrictions, though slightly modified, as those mentioned above. In determining who such persons may be, American policy under FEC 230 provides that ties by blood, marriage, adoption, or past personal relationship should be taken into account in expanding the purge.

With reference to compensation to the former legal owners of Zaibatsu interests, this very unusual and distinctly un-Anglo-Saxon philosophy is enunciated. Policies which validate the conveyance of all property rights from the legal owners are not to be modified to obtain any specified degree of compensation for the former owners. The overriding objective set forth is to dispose of all the holdings as rapidly as

possible to desirable purchasers, and this objective is to be achieved even if it requires that holdings be disposed of at a fraction of their real value. Furthermore, in regard to negotiated sales of divested holdings to desirable purchasers, the purchasers' ability to pay, rather than the real value of the holding, should affect the fixing of prices in terms of payment.

In order to expedite the matter and finish the liquidation within 2 years, it is proposed that there be an invitation for bids from eligible purchasers, and that the highest bids be accepted however low such bids may be.

The general criteria regarding the sale of divested holdings would be, under the American proposal, adhered to regardless of the wishes of non-Zaibatsu stockholders in the enterprises concerned.

Mr. President, it was unbelievable to me that such a document could be put forward as representing the policy of the Government of which I am a part.

The time has long since passed when Members of Congress can complacently stand aside and remain silent while policies are being carried out in the name of the Government of the United States which are contrary to American standards of decency and fair play and are not in conformity with our own political, moral, or economic standards.

Mr. President, the Congress and the country should be told who the originator of this proposal is. It should be fully informed as to his background and the positions of trust he has held in various agencies of the Government of the United States. The country and the Congress should be informed as to whether Gen. Douglas MacArthur was consulted in advance regarding these economic policies being followed in the name of the American Government in Japan, or whether he has been given directives from Washington which he has no choice but to carry out.

Mr. President, I believe that this matter is of such importance to the Congress and the country that I hope a full-scale investigation of these and other policies being followed in our name may be promptly carried out. I do not care whether this full-scale investigation is conducted by the Appropriations Committee or by the Foreign Relations Committee, but I do urge that one or both of these committees act separately or jointly and proceed immediately to get the full facts.

If we delay, the Congress and the country will be confronted in this as we have been in other matters with a fait accompli, and with no choice but to rubber stamp a policy contrary to our way of life. It would also be a way of life that even a future democratic Japan may find it difficult to change. In the last few years, we have found too often that it is not possible to unscramble eggs.

Mr. MAYBANK. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. MAYBANK. I wish to commend the Senator from California for his statement regarding FEC 230 and the socialization of Japan. I know he feels as I do, that the Mitsuis and Suzukis and the other rulers, along with the military,

should be divested of their power. When he speaks of FEC 230, and of the complete socialization of Japan under this order, he is so eminently correct that I thank him for bringing the matter to the attention of the Senate.

The Senator spoke of the nationalization of food and of oil. The Senator and I served together on the cotton committee, as representatives of the Southern and Western States. Does he not believe that the movement would spread to cotton and textiles?

Mr. KNOWLAND. I will say to my distinguished colleague that it is my observation that in this country and in any other country it is difficult to go just part way down the road toward a controlled or a socialistic economy. The inauguration of one set of controls sets up a chain reaction, and it becomes necessary to move from price controls to wage controls, to the allocation of materials, to the allocation of labor. In Britain today power is given to the Government to say to a man, even though he may have been in business for 50 years: "In our judgment your business is not essential." The individual can be put out of business. His employees can be assigned to work in a coal mine or on a railroad or in some other business. I say that when a step is once taken down that type of road—and the statement applies to Japan as well as to any other country—a chain reaction is set up, which will not be terminated until the whole route has been traversed.

Mr. MAYBANK. I thank the Senator, and I should like to ask one other question which I think is very important. Is it not true that through the Commodity Credit Corporation more than one and a quarter million bales of cotton were shipped to Japan to be converted into goods, and that there are now on hand millions and millions of yards of goods which have been made out of cheap labor, and which will not only affect every synthetic-fiber plant in New Jersey and New York, but the workers in all textile plants. They will also affect the cotton that is grown in California and in South Carolina, and all other States; indeed, the entire economy of the United States will be affected if 230 should be put into effect, in my judgment. I ask the Senator to answer that question as to cotton and textiles for the manufacture and exportation, and also the growing and harvesting of cotton.

Mr. KNOWLAND. I cannot answer the Senator's question wholly at this time in regard to that, because it is my judgment that FEC 230 is but a part of an over-all pattern that is being followed out. It is only one cog. It is only one part of the checkerboard regarding which I think the Senate and the country should have full information.

Mr. MAYBANK. In other words, does the Senator believe it is like starting a little fire that spreads into a conflagration?

Mr. KNOWLAND. That is correct.

Mr. MAYBANK. To that, I thoroughly agree, and I hope the Congress will in the interest of democracy and freedom investigate and not let FEC 230 take effect. The Senator said, FEC 230

at present was concerned only with food and oil. I can see it spread to every industry with which this country must compete in exporting to the Orient, as well as in importing, and it will in the end mean ruin to our farmers and workers. I see a very black picture for the textile mills of New England and the rest of the country, including the workers in the textile mills of the South, and also for the cotton farmer, whose cotton was exported to start the textile business, through the Commodity Credit Corporation, by the use of the American taxpayers' money, and through the Department of Agriculture. I thank the Senator.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the junior Senator from Michigan.

Mr. FERGUSON. I should like to ask whether FEC 230 goes so far as to include anyone who has ever been shown to have done any of the enumerated things; in other words, a small businessman or anybody else who has ever sold any property or any produce to any of the monopolies? I interpolate that I believe monopolies should be destroyed.

Mr. KNOWLAND. I think we are all in agreement that the big cartels and trusts should be eliminated, both in Germany and in Japan. FEC 230 goes further than that.

Mr. FERGUSON. But it would indicate that even a creditor, a small businessman, might not be able to do business in the future, would it not?

Mr. KNOWLAND. I think the Senator is absolutely correct, as I read the document.

Mr. FERGUSON. It would bar him from entering business for 10 years. If this goes into effect, where is it expected they will get the businessmen of the future who will be needed to make it a self-supporting nation?

Mr. KNOWLAND. That, I think, is one of the very basic problems with which our Government is faced today. As I pointed out, there is not even the protection that our military authorities at least have set up in Germany. As I understand the policy in Germany, it was necessary for at least an accusation to be made that a person was a member of the Nazi Party or had committed a war crime, or was subject to trial for certain other crimes, and he could then be removed. That was entirely proper, but in this instance, as I read it, the man could have been operating perfectly legally within his own country, not accused of any crime whatever, but, merely because he had had some association in a number of categories, he would in effect be purged. There would be a bar upon him from performing any economic function of responsibility for a period of 10 years, and there would be certain other restrictions put upon him. That, I think, is entirely contrary to any Anglo-Saxon idea of decency or fair play or moral standards.

Mr. FERGUSON. Is that the reason the able Senator from California has mentioned the provision of the American Constitution that no bill of attainder shall be passed? There is no idea expressed in this document as I read it, now—and of course it is confidential—

that these are international crimes in any way, or that persons have aided the Government in perpetrating the war. Someone would be able to say, that merely because a businessman sold something and thereby aided the monopoly, the attainder would attach to him.

Mr. KNOWLAND. That is correct.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following joint resolutions:

S. J. Res. 167. Joint resolution to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes; and

S. J. Res. 170. Joint resolution authorizing the Secretary of Agriculture to publish the names and addresses of persons transacting business on the boards of trade, and the amounts of commodities purchased or sold by them; to furnish to committees of Congress upon request and to make public any such information in his possession; and for other purposes.

The message also announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 127. Concurrent resolution providing for adjournment of the two Houses of Congress on December 19, 1947, sine die; and

H. Con. Res. 128. Concurrent resolution authorizing the Presiding Officers of the two Houses to sign enrolled bills and joint resolutions after the adjournment.

THIRD SUPPLEMENTAL APPROPRIATION ACT, 1948

The Senate resumed the consideration of the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for the other purposes.

Mr. SMITH. Mr. President, returning again to the appropriation bill, page 6, lines 11 to 17, having to do with the problem of dismantling plants, I want to identify myself completely with the chairman of the Foreign Relations Committee in his approach to this problem. I had occasion last summer when I was abroad to run into the problem. It seemed to me that we were precipitate in going ahead with the dismantling of the plants. When I heard that 682 were to be dismantled I was disturbed, and, therefore, I agree with the chairman of the Appropriations Committee and the other members of his group that there certainly should be a moratorium declared on the dismantling, until we know where we are going.

Since the break-down of the London Conference and the obvious fact that the western zones of Germany, including the American, British, and French, will be tied in with the so-called development of the Marshall plan, it seems to me we should look carefully before we act, to see what is going to be done with the plants, in distributing them around, even under the treaty that was referred to by the Senator from Michigan.

I feel, however, in spite of that strong predilection to hold up the dismantling of the plants, that it simply should be a pause until we can get the facts and know where we are going, but that in the

meantime I cannot agree with the proviso that is contained here, which would practically say to the 18 nations with whom we agreed in Paris on the reparations program, "We are going to repudiate our obligations under that treaty."

I should like, if I may, to ask a question of the chairman of the Appropriations Committee. The question is whether he feels that in agreeing to this proviso we are repudiating a contract, agreement, or treaty that we entered into with regard to reparations to the friendly nations of western Europe to whom the Senator from Michigan has referred in his presentation of this case.

Mr. BRIDGES. I am going to offer an amendment which I think will meet the Senator's request. The amendment is, "On page 6, line 13, after the word 'that', to insert the following: 'for 90 days from the date of enactment of this act'", so it will read:

Provided, That for 90 days from the date of enactment of this act no part of the appropriation shall be available for the compensation or other expenses of personnel engaged in dismantling nonmilitary plants in the bizonal areas of occupation in Germany.

The PRESIDING OFFICER. Does the Senator move that as an amendment to the committee amendment?

Mr. BRIDGES. I so move.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire to the committee amendment.

Mr. SMITH. I thank the Senator for the suggestion.

Mr. FERGUSON. Mr. President—

The PRESIDING OFFICER. The Senator from New Jersey has the floor. Does he yield?

Mr. SMITH. I yield to the Senator from Michigan, but with this question to the senior Senator from Michigan [Mr. VANDENBERG], whether in his judgment and his greater knowledge than I have of our relationship under the treaty with other nations, whether the suggestion of the chairman of the Committee on Appropriations would take care of the matter without violation of international obligations.

Mr. VANDENBERG. Mr. President, I doubt whether it is possible to compose a fundamental problem of this nature by putting it within time limits. I do not know whether a 90-day violation of a treaty obligation suffices to wash one clear of responsibility for having violated his fundamental agreement. I concede that if it is only going to be violated for 90 days, that is not so bad as violating it indefinitely, but I cannot for the life of me understand why it is necessary to pursue the matter further in view of the record made here on the floor of the Senate today. Nothing that could happen in 90 days could be any more effective than the debate on the Senate floor today, in which there has been complete agreement on the part of all the members of the Foreign Relations Committee on both sides of the aisle that this has been, is now, and will be a critical problem which must have adequate, satisfactory, and conclusive ventilation, and it must be done not only in connection with the State Department—a great deal has

been said about the State Department today, and I am not a special pleader for the State Department—but let us not forget that the occupation of Germany is under the Army, it is not under the State Department, and that there is this constant collision of authority as between the two in respect to the occupation of Germany and in respect to the obligations which are contemplated in connection with it.

I do not see how you can do for 90 days what, by offering to limit it to 90 days, you confess that you should not do beyond 90 days.

Mr. BRIDGES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LODGE in the chair). Does the Senator from Michigan yield to the Senator from New Hampshire?

Mr. VANDENBERG. I yield.

Mr. BRIDGES. I think the Senator has interpreted somewhat erroneously the purpose of the amendment. The purpose of limiting the dismantling to 90 days is, so to speak, to declare a moratorium until the distinguished Senator and his committee, or some other appropriate committee, could survey the whole problem. It was to give us a chance to pause and take a new look.

Mr. VANDENBERG. Mr. President, I fully understand the good faith with which my worthy friend has presented his suggestion, and if that was all that was involved I could sit down very happily and trust to the wisdom of the House conferees to finish this job for me. But unfortunately there is more involved in it, and the thing I have seemed to fail to make Senators understand is the extent of our own self-interest in what is involved.

I desire to repeat very briefly and emphasize what it is I am trying to say. At the present time the Council of Foreign Ministers, in London, has broken down, chiefly over the Soviet demands for reparations out of current production in Germany. The American position is unsunderingly opposed to reparations from current production, because that is the inevitable equivalent of reparations out of the Treasury of the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. VANDENBERG. No, if the Senator will permit me. I am trying to summarize this one point, if the Senator will forgive me.

The American position is that there cannot be German reparations from current production, because if there are, those reparations come out of the Treasury of the United States by indirection.

On January 14, 1946, I repeat, the 18 other nations that are entitled to reparations out of Germany met in Paris and signed an agreement. Among those 18 nations are at least 15 of the best friends we have on earth, the Netherlands, Belgium, France, Luxemburg, Norway, Austria, Canada, and so forth. When these other nations came to Paris to find out how they were going to get their reparations—because they are entitled to reparations just as much as

Russia is—they came with the idea that they wanted reparations out of current production. So we confronted a situation at Paris where 18 nations, most of whom are our close friends, this great group of our friendly allies was asking precisely the same thing Russia was, namely, reparations out of current production. But after a survey of the situation a conclusion was reached, signed, sealed, and delivered, by which they abandoned their request for reparations out of current production, and agreed to take their reparations out of capital assets and dismantled plants, and so forth.

Therefore, as the situation stands today on the Soviet question of reparations out of current assets, the Soviets and their satellites are on one side, and all the rest of us are on the other. If we adopt an amendment which even for 90 days says that the payment of reparations out of capital assets must cease, we drive all 18 of these other countries back into the arms of the Soviets, and the world stands united against us in favor of reparations out of current assets, instead of out of capital assets.

I say we cannot afford to take such a position, first, because we cannot afford by an amendment—I do not care if it is only a 90-day breather—on the floor of the United States Senate by unilateral action to denounce an agreement with all the other friends we have on the face of the earth if we expect to hold any friends on the face of the earth.

Second, if we do it, we put Germany on the backs of the American people for 50 years, because if we ever establish the system of reparations out of current assets instead of out of capital assets, we will never relieve the pressure on the United States of the burden which it now carries.

Of course, Mr. President, the Senate can do as it pleases; but I have presented the facts. I have agreed with everything my very dear friend, the chairman of the Appropriations Committee, has said, and that every other Senator has said about the importance and the necessity of a scrupulous, ruthless, irresistible investigation of the whole subject of reparations, and I have told him that it is going to be pursued in connection with the hearings on the so-called Marshall plan before the Committee on Foreign Relations. If that is not a sufficient assurance that the Committee on Appropriations has accomplished the only purpose it could hope to accomplish by this amendment, namely, to underscore the importance of the subject to a degree that it can never again be overlooked—if that is not sufficient, there is no way I know of that I can satisfy him short of a treaty violation which, in my opinion, is definitely and distinctly contrary to the national security and the welfare of the people of the United States, and I decline to take that step.

Mr. KNOWLAND. Mr. President, will the Senator now yield to me?

Mr. VANDENBERG. I yield.

Mr. KNOWLAND. I wish to say to the able Senator from Michigan that if the amendment did what he fears it would do I would join him wholeheartedly in

moving to strike it from the bill. While I disagree with the policy being followed by our Government in shipping reparation plants to Russia and her satellite powers under the Potsdam agreement at a time when the Russians themselves have violated that agreement, I do feel that there is a case in equity for reparation plants to go to the Netherlands, to Belgium, France, Luxemburg, and England, to replace plants which have been destroyed by German bombers. But as I read the language—and I would like to ask if the Senator has given consideration to this factor—the proviso only relates to the \$490,000,000 above mentioned. It does not place a restriction upon all War Department funds.

The fact of the matter is that the great bulk of the expense in taking down and moving plants is paid, not in American dollars but in German marks to German workmen. The only place where American expenditures would be made, in my judgment, would be where dollars were used to pay American personnel for the job of supervision. If that be so, these are not the complete War Department funds. Had the committee been trying to bring about legislation rather than merely restrictions on the appropriation, and had it tried to say that no funds of the War Department or of the State Department should be used for the purpose of reparations, I would agree with the Senator from Michigan 100 percent. However, as I read this language, it applies only to the particular \$490,000,000. On that basis, I supported the amendment in the committee because I felt that it applied only to that amount. I felt that it would bring to the attention of both the Senate and the country a situation which we believe is very serious. However, it would not be the all-out limitation which I believe the Senator has interpreted it as being.

Mr. VANDENBERG. I thank the Senator from California for his helpful reassurances. As I understand, he is now saying to me that inasmuch as this restriction applies to only a portion of the funds involved in the administration of our authority in the German zone, it leaves plenty of other funds to keep on going, just as though we had not passed the amendment. In other words, as I understand, he is assuring me that the amendment will not accomplish anything at all.

Mr. KNOWLAND. I do not say that. This is the first bill which has come before the Appropriations Committee since our return from Europe which gives us an opportunity to express our feelings on the subject of reparations going into the Russian zone. This is the first time that we have had an opportunity to express ourselves in a statement of policy by the Congress of the United States. It does not endeavor to turn back the hands of time. It does not do what the able Senator from Michigan believes it would do. However, it does serve notice—and I hope the Senate will serve notice—on the State Department that we are becoming sick and tired of some of the policies being followed, such as permitting the shipment of machinery and other types of equipment from this

Nation to the Union of Soviet Socialist Republics, at the same time when the Department is coming to us and asking for the support of the emergency-aid program and of the Marshall program.

I have supported the emergency aid program. I have endeavored, as long as I have been in the Senate, generally to support the foreign policy of the Government of the United States, so that we might have a foreign policy which was neither Democratic nor Republican. But I cannot continue for long to follow a State Department policy which on one day takes one road, and on another day takes another road. If this debate serves a warning to the Department that it had better adopt a consistent policy, I think the job will have been well done.

Mr. VANDENBERG. First let me say to the Senator from California that he is dead right in describing his own loyalty to sound American foreign policy from start to finish, as he sees it—and usually as we see it together. I am very grateful to him for the companionship we have enjoyed in thinking alike on practically all these problems. I doubt very much whether we are even now thinking anything but alike.

If anyone wishes to talk about shipments to Soviet Russia, I can only refer to the fact that I publicly agreed with the distinguished chairman of the Appropriations Committee 1 year ago, that there should be nothing of the sort.

I do not think I am in disagreement with anything that is being said here on that subject. On the contrary, I repeat that for some reason or other I seem to have earned a place at the top of the Soviet blacklist all around the world. I understand that I am the only man, with the exception of the Pope, who was ever honored with a 15-minute broadcast of denunciation confined exclusively to one person. So there need be no misunderstanding as to the character in which I rise, or the climate in which I speak.

The Senator from California says that he thinks it is time for an explosion. God knows, we have had an explosion. It seems to me that the explosion will inevitably produce a most useful and valuable result. I doubt whether my able friend from California would want to handicap the values of that result by taking a chance on hitting a target which none of us may have in mind.

This whole situation has many ramifications in its various aspects. We are talking about Russia. Unfortunately, this amendment, directly and indirectly, involves Norway, the Netherlands, Luxemburg, Canada, Australia, and South Africa. No one is rising here to denounce them; no one wishes to denounce them. But in our zeal to make our feelings entirely plain regarding Moscow, I beg of Senators not to be misled into using a blunderbuss which hits everything else in sight.

That is all in the world I am talking about. I appreciate the effort of the Senator from New Hampshire [Mr. BRIDGES] still further to water this amendment down, but I do not believe that we can compromise a fundamental point of this character. I repeat that

the policy of this Government, as asserted to me within the past 4 or 5 hours, is that every effort is to be made—if it has not already been made—to stop all shipments of dismantled plants out of Germany going east.

I think there is nothing of advantage to be gained by tampering with the text of this bill. I say to my good friends on the Appropriations Committee that I think they have already accomplished everything they had in mind, and I suggest to them that they not take upon themselves the responsibility of some result which they may not have anticipated, as a result of the insertion of this amendment in the bill.

Mr. President, I have said all I intend to say. The Senate may vote as it pleases.

Mr. BALL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BALL. Once or twice the Senator has used the phrase "violation of treaty obligation."

Mr. VANDENBERG. The Senator is quite correct.

Mr. BALL. I have never seen any treaty coming before the Senate involving this question.

Mr. VANDENBERG. The Senator is quite correct. I have used the word "treaty" symbolically. I am referring to an agreement made in Paris on January 14, 1946, which was made primarily under the war powers of the Army. While it is not a treaty in the literal sense, in my opinion, it has all the binding effect of a treaty. Certainly, in view of the fact that we have such a desperate interest at the moment in maintaining a successful opposition to the collection of reparations out of current production, whether it is a treaty, agreement, or whatever it may be called, in my judgment, it seriously impinges upon the welfare of our own people.

Mr. BALL. The point which concerns me is how far the Senator considers the Senate and the Congress to be obligated to support to the limit, with appropriations, funds, and authority, all the numerous executive agreements, from Yalta and Potsdam on down, which have been entered into under the war powers. If we are completely obligated, I do not know why we argue about any of these things or why we are concerned about the whole picture. In that case, apparently it is entirely a function of the executive branch.

Mr. VANDENBERG. I think the Senator knows my views on that subject. I look rather dimly at some of the personalized international agreements which have been made.

However, I think that when we have come out of a war and are liquidating an armistice there is an authority behind the country, in negotiating agents, which cannot be lightly set aside. I indicated a few moments ago that, so far as I was concerned, the Potsdam agreement was vitiated by Russia long ago and ceased to have any binding effect upon us. I am sure there is an obligation involved which we would want to enforce upon our cosigners, because it is to our everlasting advantage that they

live up to what they have agreed to in the contract, so that we have a double reason in this instance for hesitating to raise a question regarding its validity.

Mr. BALL. I gather from the Senator's remarks that there is a very wide twilight zone in this field in which we should support and regard as binding certain obligations which we are afraid, as the Congress, to repudiate, even if we think they are against the best interests of the United States.

Mr. VANDENBERG. I think there is a twilight zone, if that is what the Senator wants to call it, in which each exhibit has to be determined upon its own credentials. For instance, I am not prepared to say, as a matter of law, what right the late President Roosevelt had on his own exclusive responsibility to make commitments for us at Yalta. Many of them, so far as I am concerned, were not only without justification but were most unfortunate. Yet, when we reached Potsdam and the three chiefs of state met with a state of war potentially still in existence, I am not prepared to say what the legal effect is, but I would think we were pretty well bound by what happened. When we get into the field of some of the collateral agreements which we may unexpectedly face, I think it is a twilight zone, but that each case must stand on its own bottom.

Mr. BALL. I say to the Senator that I supported this proviso in the committee, and I should like at least to express the hope of the Congress that the War Department and the State Department would call a halt to plant dismantling for at least 90 days in order to give the committee a chance to go thoroughly into the whole problem of capital reparations, because there have been so many cases in which Congress received the facts so late that it locked the barn door after the horse had been stolen.

Regarding the plants about which the Senator from New Hampshire [Mr. BRIDGES] was speaking, I counted at least a dozen plants which manufactured steel pipe and tubing, which are two of the items in shortest supply in the whole world. If we dismantle plants and set them up again hundreds of miles away, a year's production is lost, in all probability. To me that does not make good sense.

Mr. VANDENBERG. I agree with the Senator.

Mr. BALL. There were many reparations agreements made with Germany after the First World War, and the United States wound up paying for practically the whole business with our loans to Germany which virtually offset the reparations payments she made. She never did make all of them.

Mr. VANDENBERG. That is one mistake we are trying to overtake this time.

Mr. BALL. Since the end of the war, counting this bill, our relief and our support of the economies of the countries we are occupying will have cost the American taxpayers \$2,625,000,000. In addition to that, the relief bill passed in the earlier session this year, plus \$550,000,000 at this time, amounts to \$900,000,000 of relief for the economy of the areas over which we fought, plus, of course,

\$2,700,000,000 appropriated for UNRRA for purposes of relief. That is a total of \$6,225,000,000 in a little over 2 years since the end of the war. I question seriously whether any other nation or combination of nations has paid anywhere near that amount in reparations. We have a rather fantastic situation following the Second World War—and do not forget that during that war we also gave away \$50,000,000,000 worth of lend-lease supplies—in supporting both vanquished and allies to the tune of approximately \$6,000,000,000 a year. We are expecting the American taxpayers to support the economy of Germany at the rate of \$700,000,000 a year.

The Senator is worried about taking reparations out of current production. I do not see how we can possibly do that. Current production is not even there; it does not support the 1,450-calorie diet on which they now subsist, to say nothing of the 1,800 calories at which we aim. I do not see any chance of it.

I am seriously disturbed, and I think the whole Appropriations Committee was disturbed, at the dismantling program and the effect it may have. We were assured by General Draper that they could reach the proper level of production without these plants, but heretofore we had received many assurances which turned out to be wrong. I should like to be very certain that none of the plants scheduled for dismantling will destroy the possible chance of Germany's building up its production sufficiently so that we can at least take that burden off the backs of American taxpayers, because, obviously, if we do not, we are stuck with it indefinitely.

Mr. VANDENBERG. I completely share the desire of the able Senator from Minnesota to escape these occupational costs. I am not responsible for them, and I am not responsible for the policies that produced them. But I cannot escape the feeling that if we do something like that which we are proposing by this amendment to do, and completely reverse the theory of reparation and transfer it from capital assets to current production, we shall have created a situation which will keep Germany on our backs almost forever. That is a matter of opinion.

Mr. BALL. The Senator is very potent in argument, and I see the point of his argument. We have dealt gently with these issues before. As I recall, a year and a half ago or more the Senator from Michigan himself was very vehement in his opposition to the so-called Morgenthau plan and the directive, which was only a slightly modified version of that plan, under which the American military government had been operating in Germany at that time. I certainly got the impression—I do not know whether the Senator from Michigan did—from our State Department and War Department that that directive had been changed drastically. The testimony given only a few days ago to the Appropriations Committee was that that directive was not changed materially until July of this year, 2 years later. I agree with the Senator that I do not like to use a shotgun on these problems, but it has been my observation in the past that dealing

gently with them does not produce the desired results.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. WATKINS. I note that the amendment provides that no part of the appropriation shall be available for the compensation of men working in the plants referred to. I should like the Senator to tell me whether we have taken on an obligation to dismantle plants to be shipped to other nations.

Mr. VANDENBERG. It depends on how one reads the Potsdam agreement and the Paris agreement. I assume we have signed an agreement that reparations, if, as, and when liquidated, shall be paid out of capital assets instead of out of current production. If that shall happen in the American zone it is the American Army's responsibility to complete the transaction within that zone.

Mr. WATKINS. In other words, then we are obligated, are we not, to dismantle these plants and get them ready for shipment? That is what I wish to know.

Mr. VANDENBERG. I think we have complete option and autonomy to what plants shall be identified for that purpose. But I am not entirely clear about that.

Mr. WATKINS. Do we pay the freight on these plants, in shipping them to where they are to go after they are dismantled?

Mr. VANDENBERG. I cannot answer the Senator's question.

Mr. WATKINS. I should like to know.

Mr. VANDENBERG. I shall try to find out about the freight.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. VANDENBERG. Yes.

Mr. MILLIKIN. Question has arisen as to our legislative right to repudiate an Executive agreement, and question might be raised as to whether we have a right by legislative action to repudiate a treaty. We clearly can do both in terms of power.

Mr. VANDENBERG. That is correct.

Mr. MILLIKIN. The question as to whether that should be done resolves itself into a question of policy.

It seems to me that the fix that we are in today, involving the very subject matter of this debate, results from an increasing habit, indulged in by this country and by other countries, of word-breaking. The reason we find the provisions of the Teheran, the Yalta, and the Potsdam understandings so offensive and the reason they are causing so much trouble is because they result from word-breaking—word-breaking to the people of the United States and to the people of the world from violation of the pledges of the Atlantic Charter and of the Charter of the United Nations Organization. We have participated in this word-breaking. If we are going to have any peace on this earth, I suggest that we have got to keep our word.

We made an agreement. I do not like it, and I should like to see it ended; but let us not end it in this glancing way. If it is to be ended, let us approach it frontally, in an issue to come before us, and raised primarily for the purpose.

Let us keep out of this word-breaking business. Let us keep our word.

Mr. President, breaking treaties and agreements is a two-way road. How can we ever get this world set for peace if every nation feels at complete liberty to break its agreements unilaterally? I think we may have to come to the repudiation of some of our war-time Executive agreements, but there is no need to go into that now.

Here is an agreement which I believe the Senate, according to its predominant sentiment, would like to get out of. But the only agreement or the only pledge that is worth a continental is one which is scrupulously adhered to when it becomes hard to take.

Now we have put into the RECORD all of the notices that I believe are necessary. If this profligate and senseless dismantling is not stopped and slowed down consistent with our agreements, then I am ready to confront directly the next alternatives, because I am unwilling that the United States shall assume the reparations burdens of Germany.

Mr. VANDENBERG. Mr. President, I thank the Senator from Colorado very much indeed for what I consider to be a fundamentally honest and essential statement of basic international good faith.

Mr. CONNALLY and Mr. BROOKS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Michigan yield; and if so, to whom?

Mr. VANDENBERG. I yield first to the Senator from Texas.

Mr. CONNALLY. Mr. President, I do not wish to delay the Senate. I wish to agree thoroughly with the sentiments expressed by the eminent Senator from Colorado.

This is a matter that is involved in our foreign relations, affecting not one country but 18 or 20 countries. We cannot afford to do anything which would arouse in the minds of our associates, these other nations, any suspicion that we are not going to stand by our agreement. This amendment, as now modified, relates to a period of only 90 days. It arbitrarily says that no part of the fund shall be used for any of the purposes set forth.

Mr. President, that of itself shows that the matter has not been studiously considered. We have the assurance of the chairman of the Foreign Relations Committee that during the Marshall plan hearings this whole problem will be submitted and investigated. Surely in the next 90 days the world will not go to pot much worse than it is now. This is a matter which goes far beyond the particular incidents that are covered by this bill. It affects the relations of the other nations of the world to the United States.

Much has been said about the conferences at Tehran and Yalta and Potsdam. There is much in those agreements that I do not approve; but, Mr. President, although they were made during the stress of war, they were made by the heads of governments that were allied in that struggle, and we cannot arbitrarily disregard pledges, under those circumstances, even when not ratified by

the Senate. Of course we have the naked power to break treaties; but when we do we come under the odium of having violated our promises and our pledges, and we come under the condemnation of whatever sanctions the treaties provide. So, Mr. President, I trust that this amendment will not be adopted.

We have had a good deal of politics and partisan expressions injected into this debate. Mr. President, our foreign relations should not be the subject of bitter partisan and political controversy. The Senator from Michigan has been an eminent example of forbidding that sort of thing. He has shown a magnificent spirit of treating our foreign relations from an American standpoint, not from a low, partisan, political basis, with one eye cocked on the next election.

No, Mr. President; this is a matter that will receive, and I am sure is receiving, consideration not alone by the State Department, but by General Clay and others who are on the ground and are conducting the military operations in Germany. I do not wish to see Germany destroyed. I do not wish to see her plants dismantled. I wish to see the German economy rebuilt, because the heart of European economic life centers right in Germany and in German industries. I have no hatred of Germans to the extent that I want to see Germany destroyed.

During this debate the Morgenthau plan has been dragged in. No one that I know much about, unless it was Mr. Morgenthau, ever favored that plan. We do not want to destroy Germany and condemn her to an existence as an agricultural or agrarian state; certainly not.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. CONNALLY. I yield.

Mr. BRIDGES. Did the Senator ever hear of Franklin D. Roosevelt?

Mr. CONNALLY. I think the Senator from New Hampshire not only has heard of him, but sees him in his dreams every night.

Mr. BRIDGES. Franklin D. Roosevelt initiated the Morgenthau plan, so, apparently, he was one of the persons responsible for it.

Mr. CONNALLY. I was not injecting it into this debate; but I have been complimenting the Senator from New Hampshire for the fine attitude he has developed in the consideration of this subject. [Laughter.] But, Mr. President, just about the time that I get him up on a pedestal, he plunges almost up to his elbows into the political aspects of this matter.

Mr. BARKLEY. Mr. President, I wish to confirm what the Senator from Texas has just said. He has been sitting here all morning bragging to me about the fine spirit and manner and attitude and motives of the Senator from New Hampshire, and I share any regret that is expressed about shattering that high opinion of the Senator from New Hampshire. [Laughter.]

Mr. CONNALLY. I was not doing anything to spoil it. The Senator from New Hampshire came along and wrote a pretty note, and then spilled a bottle of ink all over it and destroyed it.

Mr. President, we cannot afford to treat our international affairs on a two-bit basis, on a justice of the peace platform. No one is for the Morgenthau plan, so far as I know. We do not care to destroy Germany. Germany is a great country, and the German people are a great people. All we want to destroy in Germany is her thirst for war, her desire to control the world. We want to place Germany in such a position that she will never be able again to raise a hostile sword against the peace of the world. But we do want her people to work in her factories, we do want them to work on her farms, we want her to rebuild her economy, and in rebuilding her economy, stimulate the economy not alone of Europe, but of the entire world.

Mr. President, there is nothing in the amendment that is so urgent, so imperative, so demanding, that it cannot await the investigation of the matter under the direction of the capable Senator from Michigan. He has promised the investigation.

Mr. President, I hope the Senate will not adopt the amendment, but will leave the matter to the proper authorities who are considering it. The problem will be solved at the proper time.

I hope the Committee on Foreign Relations may receive in the future the same degree of approval from the Senate it has received in the past. I have all respect for the Committee on Appropriations, and I am for it so long as it has a dollar [laughter], because I expect my constituents to be applicants for some of those dollars at some time or other, but I do not think the Committee on Appropriations should impinge upon the proper jurisdiction of the Committee on Foreign Relations. We are toiling, laboring, struggling within the limits of our jurisdiction. The Committee on Appropriations has sufficient jurisdiction, it touches every activity of the Government, everything, everywhere, and no one is wise enough and smart enough and agile enough to know more about everything than everybody else knows about some things.

Mr. President, I trust that the chairman of the committee, reversing the attitude he took here in his remarks with respect to President Roosevelt, will get back upon the high pedestal upon which the Senator from Kentucky and I placed him, will withdraw his amendment, and let us go on and pass the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire to the committee amendment.

Mr. BRIDGES. Mr. President, last night between the hours of 8 and midnight, as our committee labored in an endeavor to develop the bill, the subject under discussion arose. It was a follow-up, as I have said, of the appropriation of hundreds upon hundreds of millions of dollars, and of a study of the whole problem during our trip to Europe, where we saw first-hand the evils of the dismantling program, where we saw war-making and other equipment proceeding to Soviet Russia and the Russian satellites. Whenever we called the situation to the attention of the executive de-

partments in this country, the action was not halted. So we decided that there had to be some way of bringing the matter to a head, and we inserted this amendment in the appropriation bill.

I do not think the amendment as amended, with the 90-day provision calling for a moratorium, deserves all the very dire implications the Senator from Michigan and the Senator from Texas have attributed to it. I think it embodies a very normal, logical way to proceed. But in some 2 or 3 hours' discussion of this subject we have brought out the high lights of the stupidity of the continuation unabated, of this policy, the fact that as a result of this policy a portion of the dismantled equipment is going to a place where it constitutes the only potential threat to the peace of the world and the only potential threat to America. If we can bring the matter to a head, if we can explore the whole situation, I shall be perfectly willing to withdraw the amendment, and I think the committee will agree, if the distinguished chairman of the Committee on Foreign Relations will tell us now that as chairman of that committee he will see that the whole dismantling program is explored shortly after the first of the year, starting as soon as possible in some manner, either under Senate Joint Resolution 165 or in some other manner.

Mr. VANDENBERG. Mr. President, I think my able friend is entitled to my reassurance—I have already assured him once—that in connection with the hearings on the ERP bill, we do intend to do precisely what he is talking about. So far as the chairman of the committee is concerned, the inquiry will be as conclusive as it lies within our power to make it.

Mr. BRIDGES. In that case, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER (Mr. CAIN in the chair). The Chair is advised that the Senator from New Hampshire withdraws the entire amendment.

Mr. BRIDGES. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was rejected.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, under the subhead "Bureau of Reclamation," on page 8, after line 3, to insert:

RECLAMATION FUND, CONSTRUCTION

Construction: For construction and continuation of construction of the following project in not to exceed the following amount to be reimbursable in full under conditions satisfactory to the Secretary of the Interior as provided in Public Law 247, Eightieth Congress, approved July 25, 1947:

Deschutes project, Oregon, \$72,000, to be available toward emergency rehabilitation of the works of the Arnold irrigation district under the same terms and conditions as provided in said Public Law 247, Eightieth Congress.

Mr. GURNEY. Mr. President, is it the understanding of the Senator from New Hampshire that the amount of money now in the bill is \$230,000,000?

Mr. BRIDGES. I assume that, when the amendment was rejected, the Senate

rejected just the part of the amendment which had to do with the dismantling of plants.

Mr. GURNEY. As I recall the reading of the amendment first by the clerk, it was to change the amount of dollars, and then he proceeded to read the words. It was my understanding the words were not agreed to, in the vote just taken by the Senate. I suggest that the Senate vote now on the amount of money.

The PRESIDING OFFICER. The Chair has been advised that the action just taken by the Senate causes the language to revert to that used by the House of Representatives.

Mr. GURNEY. Then I move that the amount of money be changed from \$230,000,000 to \$490,000,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from South Dakota.

The amendment was agreed.

Mr. YOUNG. Mr. President, I have been waiting for about 3 hours to make a very brief statement, and I shall proceed at this time.

Mr. President, since I was the one who made the motion in the Committee on Appropriations last night which resulted in a change in the carry-over provision for wheat on July 1, from 150,000,000 bushels to 125,000,000 bushels, I think it appropriate that I make a statement for the RECORD concerning the reasons why I think the change should be made.

In the first place, I think it is entirely unreasonable that we should carry over 150,000,000 bushels of wheat when Europe is starving. I likewise think it is unreasonable to carry over that great amount of wheat, since that is contrary to any previous regulation. In fact, I know of no time in the history of the United States when there was legislation to control any carry-over as is provided in this bill.

At this point I should like to give the carry-over figures for the year following the First World War. These are United States Department of Agriculture figures.

In 1919 the carry-over was 85,000,000 bushels; in 1920, 170,000,000 bushels; in 1921, 124,000,000 bushels; in 1922, 96,000,000 bushels; in 1923, 132,000,000 bushels; in 1924, 137,000,000 bushels; in 1925, 108,000,000 bushels; in 1926, 97,000,000 bushels; in 1927, 109,000,000 bushels; and in 1928, 113,000,000 bushels. It will be seen from these figures that there was only 1 year within that 10-year period following the last war when a carry-over reached 150,000,000 bushels. Also not in 30 years has there been a year in which we did not export wheat. Also, Mr. President, I believe it is unreasonable to impose a provision of this kind upon the wheat farmers of the United States at a time when they have produced approximately 500,000,000 more bushels of wheat than can possibly be consumed within the United States. At a time when there are more controls now over the price of wheat than there are with respect to any other commodity produced in the United States. It would be impossible for me to believe that the Congress would impose upon, say, the automobile industry, when they had a surplus, a provision

that would require them to carry over \$450,000,000 worth of automobiles they could not possibly use with the express purpose of depressing prices.

Mr. President, I believe it is also unreasonable because there is; according to the crop forecasts of yesterday, December 18, the estimate of production of winter wheat for next year, which will total 838,705,000 bushels. That is the second largest forecast in history. I believe it is also unreasonable, because wheat now is cheaper in the United States than in any other exporting country in the world. I should like to cite a few figures. The price f. o. b. Australia is \$3.16. The price f. o. b. Canada is \$3.35. The price f. o. b. Buenos Aires, Argentina, is \$4.86. The price in the United States now is approximately \$3.11.

For the last 6 years the price of wheat has been controlled, by one means or another, and has been held down to a level far lower than it would have reached had it been allowed to seek its level in a world market. I have no serious objection to that if the Congress, in the future, when wheat prices are depressed, will consider support prices. I wish to add also that, in the last year, the prices of merchandise the farmer has to purchase have increased 13 percent more than the prices of the products he has to sell.

Mr. RUSSELL. Mr. President, what is the pending amendment?

The PRESIDING OFFICER. The amendment on page 8, with respect to the Reclamation Fund, Construction.

Mr. RUSSELL. Mr. President, I shall reserve my remarks until the amendment has been acted upon.

PROPAGANDA ACTIVITIES OF THE RECLAMATION BUREAU

Mr. WATKINS. Mr. President, I should like to take this occasion to say a few words about the item for the Reclamation Bureau.

I think the Appropriations Subcommittee which handled this item did the proper thing. We all know they spent many hours in careful consideration of these projects which are so important to the development of the West. They are to be complimented for the painstaking work they have done in the public interest. I am heartily in accord with their recommendations because I strongly favor the full development of our resources.

But even while we pay a well-deserved tribute to the committee members for their long and difficult work, we also owe a duty to speak out against the indefensible practices of the Reclamation Bureau in handling some of the operations entrusted to them.

Just before we recessed last July, we passed appropriation bills which made it possible for the Reclamation Bureau to spend a larger sum of money than they had ever spent in any one prior year. In recommending this large sum, the Congress tried to strike a fair balance between the great need for economy and the strong desire to do all it could for the development of the West. We made wise and prudent provisions so as not to fan the fires of inflation which might well endanger the good we sought to do. To this end also it was our clear inten-

tion to have the Bureau apportion its funds reasonably throughout the four quarters of the year so as to avoid the necessity of coming back to us this January for a deficiency appropriation.

But hardly had Congress recessed when top officials of the Reclamation Bureau spread the news throughout the West that they would project a program for the year far larger than Congress ever authorized. They brazenly told the people of the West that their program was based on \$36,000,000 more than had been appropriated and that they intended to ask Congress for that or a larger sum in January.

To make certain that Congress would be compelled to appropriate more money, they spent what they had as fast as they could; and then began to shut down projects progressively from September onward to encourage mounting protests from the people of the West who are not aware of the true situation.

This is not the first time such tactics have been employed. We were treated to a similar demonstration last spring when appropriations were being considered. Indications now point to a repeat performance this coming winter. Appropriations far in excess of what can be spent prudently under our present reclamation policy will be requested; and when the Congress very properly tries to bring these inflated requests within the bounds of reason, the propaganda mills of this Bureau will be put into high gear.

Mr. President, I want it understood that in making the foregoing statement, I am not unmindful of the possibility that under conditions which may become greatly accentuated in the near future, it may be necessary for Congress to speed up construction on reclamation projects which give promise of bringing millions of acres of new land into the production of food products, but that policy must be adopted and authorized by Congress and not by the Reclamation Bureau. If and when such a policy is adopted, Congress will fix the rate of spending and will provide the necessary priorities to facilitate rapid construction to meet an emergency.

It is high time we made a thorough investigation of this Bureau's propaganda operations in the West. The Appropriations Subcommittee right now is doing an excellent job of calling the Bureau to account on its expenditures for work on specific projects. But an appropriations committee cannot and should not be expected to investigate the propaganda activities of the Bureau of Reclamation.

I have just been informed that the senior Senator from California [Mr. DOWNEY] has introduced Senate Resolution 176 for the very purpose of having such an investigation. He wishes, as many other of us wish to do, to find out if the Bureau of Reclamation has used public funds in violation of express statute, and whether officials of the Bureau have been guilty of issuing false and misleading statements for the purpose of influencing Congress with respect to legislation.

The Senator's resolution has been referred to the Committee on Expendi-

tures in the Executive Departments. I strongly urge that it be given prompt and favorable consideration so that early in January we may look into the activities of these officials before Congress again becomes the target of an irresponsible bureaucracy.

Others have been thinking along this line. The junior Senator from Washington addressed a letter to the Senator from Nebraska [Mr. WHERRY], who is chairman of the Subcommittee on Senate Appropriations. I ask unanimous consent to have the letter printed in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 21, 1947.

Senator KENNETH WHERRY,
Chairman, Interior Subcommittee,
Senate Committee on Appropriations,
109 Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: Disturbing reports have reached me that the Interior Department's Reclamation Bureau has disregarded the clear-cut intent of Congress in the spending of moneys appropriated during the last session for Columbia River Basin project in my State and 11 projects in other States.

It has been announced by the Bureau of Reclamation that it intends to ask the Congress for a supplemental appropriation. One of the reasons given is that the huge sum appropriated by the first session of the Eightieth Congress will have been expended this winter, insofar as the Washington State project is concerned. Thus, the money appears to have been spent twice as fast as Congress intended, and a preliminary investigation shows that part of these millions was not spent for items specified by the Congress.

I am also concerned over the reaction of other Members of the Congress.

When requests for additional funds for the Columbia River Basin project are made, I would not want my colleagues to unknowingly punish my State and its citizens because of the blundering of a Government bureau, which also may have gone so far as to violate the Anti-Deficiency Act. This act provides for fines and prison terms for officials of agencies which exceed their appropriations. This act also clearly specifies that Government agencies must spend their funds at an even rate throughout the year.

I would not want my colleagues to look with disfavor on necessary future appropriations for this great project just because some bureau disregards the mandate of Congress. If the bureau has acted wrongly, then the bureau should be punished, not Washington State.

The Columbia Basin represents Washington State's greatest single resource, as well as one of the Nation's, and appropriations are necessary to carry on and complete the work at reasonable speed without detriment to the Nation at large.

At the present time it appears to me that there is little doubt that some systematic schedule of work could have been worked out on the project in my State for the fiscal year of 1948. I hope the damage can be corrected, but it may be too late. I do not like the increasing belief in some congressional quarters that the Bureau of Reclamation has put the squeeze on Congress for more money by going ahead and spending as fast as possible its appropriation of \$17,500,000 for the Columbia Basin in order to obtain, in the same year, more than its share of Federal moneys.

I want the Bureau of Reclamation to demonstrate it has made an honest effort to obey the law and follow the dictates of the people as presented through the Congress. The

Bureau should present to the Congress factual, not political, data.

To this end, I respectfully request that in the interests of the Nation, as well as my own State, your committee call before it, in public hearing, representatives of the Bureau of Reclamation in order to conduct an investigation into these reports.

Most sincerely yours,

HARRY P. CAIN.

Mr. DOWNEY. Mr. President, I do not want to detain the Senate long. I do however wish to speak briefly on the items asked by the Bureau of Reclamation in the third supplemental appropriation bill. I am thoroughly and heartily in accord with what the Appropriations Committee has done, and I trust that Congress will grant the money that has been recommended by the Appropriations Committee, because it is needed most vitally. But, Mr. President, this item develops another of a long series of incidents in the Department of the Interior and the Bureau of Reclamation, so dishonest, so incredible, that they are almost beyond my power of description. Does that sound like harsh and cruel language? Well, I say if it does, it is because the truth is cruel and harsh. I doubt if any honest objective man can listen to this narrative and knowing the facts can fail to agree with me.

Mr. President, for the Central Valley project for the present fiscal year the Bureau of the Budget asked about \$40,000,000, including the carry-over from the previous year. Our distinguished junior Senator from California [Mr. KNOWLAND] and our Governor, Mr. Warren, wanted the same amount. But the President, in his discretion, and his agency, the Bureau of the Budget, recommended \$30,000,000, and that is the amount, almost exactly, that Congress allowed.

Mr. President, I consulted with representatives of the Bureau of the Budget to inquire whether we might get the \$40,000,000. They stated to me that because of the inflation and the need for and lack of construction workers and materials the President felt that \$30,000,000 was the full amount we should have in the Central Valley project. I acceded to that finding of the Bureau and of the President. Largely through the diligence and energy of the junior Senator from California [Mr. KNOWLAND] that amount was granted by Congress.

We were told repeatedly in many forms, written and oral, by representatives of the Bureau of the Budget and the Reclamation Bureau that that \$30,000,000 probably would last the full fiscal year. I shall present written memoranda to that effect in several different forms. I was told that if the \$30,000,000 should not last the 12-month period, beyond any doubt it would suffice until the spring of next year.

But, Mr. President, as these gentlemen from the Reclamation Bureau were making such statements, they were planning to exhaust all available funds before January 1; they were planning to precipitate a crisis in California, which they now have accomplished, under which contractors could not go ahead, thousands of workers would be disemployed, and millions of dollars wasted by the Federal Government.

Mr. President, I have in my hand a document which yesterday was introduced before the subcommittee of the Committee on Appropriations that is dated June 16, 1947. First, let me say that the Interior appropriation bill was passed in the Senate, after it had come from the House, on June 16, 1 day before the date of this paper. However, Mr. President, that bill then went to conference and was not finally passed by Congress until July. But keep in mind the date of June 16, when the Senate passed the bill, and the date of this exhibit, June 17.

Mr. Calland, who issued and signed this paper, is the chief engineer in the Central Valley project. On June 17, or 1 day after the Senate had acted on the Interior appropriation bill, he issued this statement concerning the expenditure of Central Valley funds, a statement which had evidently been prepared days before the Senate had acted on the Interior bill. I should like to read the whole of that document, for it is a weird exhibit, but my time is necessarily limited, and I will read just one paragraph, which may seem incredible to Senators. Senators may not believe it would be possible for anyone to make such a statement.

In the second paragraph of Engineer Calland's statement, dated June 17, appears the following:

The heavy carry-over from the current fiscal year (1947) plus an appropriation in the order of amounts recently passed by the Senate and House of Representatives will give us a total of funds available for fiscal year 1948 which is far above that required to meet our current rate of spending. The Secretary and the Commissioner are insistent that 1948 funds be spent early in the year—by January 1, if possible.

Then underlined is this sentence:

We are concerned here lest we end the fiscal year with another carry-over. The situation represents a challenge to our construction ability.

And so on. Mr. President, I ask, Why would the Secretary of the Interior and the Commissioner urge that all funds should be exhausted before Congress would come back in its next session? Why would any men embark upon such a program?

Consider now a few relevant facts. The Bureau of Reclamation in 1947 had outstanding contracts in the Central Valley expected to run for several years amounting to tens of millions of dollars. Under the law, in the event there is no money available in an appropriation to pay a contractor for work contracted for in the prior year, the Federal Government is released from all liability, and while there is some doubt of the law, possibly the contract becomes void and the contractor is released too.

Yes, Mr. President, from June 16 onward, while Mr. Straus, the Commissioner of Reclamation, was assuring California Congressmen that there were ample funds to carry the Central Valley project through to the spring of 1948, they were, under cover, driving ahead by every possible means, at any cost, however wasteful, to spend the full appropriation. They succeeded in spending it all by December 1.

Mr. President, consider now the condition that developed in California, and of the condition which now exists there because of exhaustion of funds. Here were six major contractors with millions of dollars of machinery and material, 30 or 35 subcontractors, three to four thousand men employed on Central Valley jobs all lulled along in the belief that their work at least would proceed to July 1, 1948.

But, Mr. President, upon only 1 or 2 days' notice the Bureau of Reclamation notified the contractors, subcontractors, and workers that all funds were exhausted. And immediately almost every contractor stopped work and every worker lost his job.

I have no disposition here to enter into a discussion of the right of the contractors to recover damage or the law which is involved. The damages resulting from the stoppage of this contract will run into millions of dollars. Whether the Federal Government will have to pay for such damages, or whether the contractors will have to stand them, I do not know. But consider at a time when we vitally need full employment of our great construction machinery and workers, those men and machines have been and are generally still idle.

While this costly condition was developing let us see how Mr. Straus, by demonstrably false statements, lulled Members of Congress and contractors into believing that there were ample funds in the Central Valley project to continue the work probably through the fiscal year, at least into the spring of 1948. When this document was introduced before the Appropriations Committee yesterday Mr. Straus was asked if he had authorized Engineer Calland to make the statement in which Mr. Calland said that the Secretary of the Interior and the Commissioner were insistent that all money must be spent before January 1. Mr. Straus denied it. We had tried for 3 days to have the Bureau bring Mr. Calland from California, but upon the weak and watery excuse that no planes were available, Mr. Calland did not appear. I do not know what Mr. Calland will say when he is produced, but if he appears here attempting to protect the Secretary of the Interior and the Commissioner of the Bureau of Reclamation by the declaration that he made that statement out of whole cloth, without official authority, he should never be in civil service again. I do not believe that he, an engineer with high reputation for integrity and ability, would have made this statement dishonestly.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DOWNEY. I yield.

Mr. MILLIKIN. Will the Senator be kind enough to read the pertinent words which tie this statement to the Secretary of the Interior and the head of the Bureau of Reclamation?

Mr. DOWNEY. I shall be glad to do so.

The Secretary and the Commissioner are insistent that 1948 funds be spent early in the year, by January 1 if possible.

Then the following is underscored:

We are concerned here lest we end the fiscal year with another carry-over.

What a strange and mysterious document. As I have said I believe Mr. Calland to be an engineer not only of ability, but of integrity. I believe that he realized that he was issuing orders from his superior of a destructive and improper nature; and to protect himself he wanted to place in this paper his opinion that that money could not be decently, economically, and properly spent in less than the full fiscal year. What Mr. Calland will say, however, we do not know yet; but we shall soon know.

Let us now recall that in June the President had announced—and I believe congressional leaders had also announced—that there was no need of a special session. So the Bureau of Reclamation had secretly and dishonestly planned all its appropriated funds before Congress would again be in session. However, great world-wide events brought us back here on the 17th of November.

Let me now recite to the Senate some more statements by Mr. Straus which are almost impossible, incredible, of belief. At Salt Lake City on August 2 the Commissioner of the Bureau of Reclamation, Mr. Straus, announced that instead of spending during the fiscal year on our western projects about \$167,000,000, as authorized by Congress and generally recommended by the Bureau of the Budget, he intended to spend \$36,000,000 more, which, on an over-all basis, would have exhausted the money about the 1st of May 1948. The Senator from Nebraska [Mr. WHERRY] immediately challenged him. I shall not take the time of the Senate now, because this issue will be sifted later; but in many forms Mr. Straus gave the Senator from Nebraska assurance, as late as October 7, that the appropriation would be spent as Congress wanted it spent, that it would last until late next year, and that Congress would have ample time to act before any project were shut down from lack of funds.

On November 1, 1947, at Phoenix, Ariz., Mr. Straus addressed the National Reclamation Association. Bear in mind that only 1 month then lay between the time Mr. Straus was then speaking and the exhaustion of all funds in the Central Valley project. At that time, of \$30,000,000 given the Central Valley project, the Bureau of Reclamation had left only about \$5,000,000 and it was spending money at the rate of \$5,000,000 to \$6,000,000 a month. On the basis of these facts I charge that the Straus statement I am about to read was not only totally false, but was plainly designed to lull Congress, contractors, and everyone else into a false sense of security.

I now quote from page 10 of a document containing the Straus speech. He said:

An economical construction program will probably mean, for example, that the great Grand Coulee-Columbia Basin project, the Colorado-Big Thompson project in Colorado, and the Davis Dam project on the Colorado

River not far from here will go broke as far as available construction funds are concerned, some time after February 1, or well before the end of the fiscal year, which is July 1.

I will interpolate here that Mr. Straus, in naming those projects, left out the Central Valley which was then within 30 days of insolvency and where every effort was then being made to dissipate all funds as rapidly as possible.

Now I return to the statement of Mr. Straus:

Some other projects may come into the same dilemma if contractors meet their schedules.

Before that time comes we will report the situation to the Congress and ask for such appropriations as may be required.

Commissioner Straus had come from Denver, Colo., to the Phoenix meeting, where he had spent days with the chief engineers of the Bureau of Reclamation. If they did not tell him and if he did not find out that the Central Valley project was then within 1 month of exhausting its funds, he and all of the responsible officials should be discharged from public service.

Soon after Mr. Straus left Phoenix he came to the State of California in which is located the Central Valley project. He came directly to the project area and spent days with his engineers and his regional director who were then within 2 or 3 weeks of exhausting all of their funds. Mr. Straus on that particular occasion was violating the Federal law, in that he was attempting to organize pressure groups in northern California, hoping to get repeal of an authorization to the Army to build a dam on the American River and to get an authorization through under which the Bureau of Reclamation would build the same dam. That is a totally different chapter in which counsel for the Government assure me that on the basis of these newspaper statements Mr. Straus has not only been guilty of a gross impropriety in lobbying, but has violated the penal statutes of the United States. Moreover I say to you that his arguments made in this lobbying campaign were 100 percent false. He was at Richmond, Calif., in the Central Valley area on the 8th of November. There he succeeded in getting his picture in one paper three times; in this paper alone there is sufficient evidence to bring him under the antilobbying statute.

Later Mr. Straus was in Sacramento on November 12, within 2 weeks of the exhaustion of all project funds. Put yourselves in the place of those regional directors and engineers, with outstanding long-time contracts involving tens of millions of dollars, with contractors and subcontractors in good faith expecting to continue steady operations under valuable contracts to the Government, because they are 1 or 2 or, I think, 3 years old, and were made under lower costs to the Government than would now be possible.

Mr. Straus, before the Appropriations Committee, claimed that he never knew the insolvency developing in the Central Valley project until a very brief time before the contractors were forced to shut down.

Is it believable that under these circumstances the whole problem was not

discussed with Mr. Straus and full data given him?

Mr. President, in the middle of November, when the junior Senator from California [Mr. KNOWLAND], as well as I and our congressional Representatives, were in the State of California, beyond any doubt Commissioner Straus knew that a crisis was impending. Had the Commissioner come to the junior Senator from California or to myself, I feel sure that we could immediately have worked out methods to have kept the contracts going.

Mr. President, the plans of the Bureau of Reclamation set in effect June 17 had gone awry because Congress did not first come back on the 6th of January, but returned on November 17. There was then ample time, had the Bureau even then been honest and told the Congress the situation, to have saved the situation and with it millions of dollars of wasted money.

Let me now tell the Senate what Michael W. Straus did, as far as I was concerned. He waited until the Wednesday evening before Thanksgiving, which occurred on the 27th of November, and came into my office at 5:20 after I had left. He casually informed the girl who was there that he had come in to see me about helping him get some funds. He had no further message for me, so he informed her. The next day was Thanksgiving Day, Friday, Saturday, and Sunday passed and during that week end contractors began to close down their operations. I had no knowledge of the cessation of work until telegrams began to come in from California around December.

We now come to another unhappy chapter in this story. The Bureau of Reclamation has approximately 1,850 employees in the Central Valley project, which, according to my belief, is many more than are needed. As soon as the contractor had closed down there was great confusion and distress among the workers, great fear and anxiety among the contractors, great worry by all of the people of the Central Valley, and 200 to 300 of the employees of the Bureau of Reclamation started out through the Central Valley criticizing and libeling the Congress of the United States, blaming this situation upon us. That is nothing new in the Central Valley. I am almost shockproof to such an occurrence.

I have talked to some of the contractors who already have moved their machines off the job and dissipated their organizations. I have talked to other contractors who are worried and distressed to the extreme, because large sums are daily accumulating against them for their staffs and maintenance crews. Their machinery is depreciating and they do not know what will happen.

Consider now the construction worker thrown out of employment. They certainly will not get any pay checks this month if they continue to wait. Since construction workers are scarce, if they leave, it may be another 6 weeks before we get started on the Central Valley project again.

I suppose there is a query in the minds of everyone, Why will Government of-

ficials—to wit, those involved in this matter—wish deliberately to falsify to Congress and to their contractors as to their funds, why should they wish to lull Congress into a false sense of security, and precipitate a crisis most costly for our workers and our contractors, our States, and the Federal Government itself? Mr. President, I wish to say that I have certain ideas of my own in regard to the strange, weird acts that I have been watching now, in California, for the last 4 years. Mr. Boke, the regional director, who went there in 1945, is a man totally incapable of performing the duties of his position. He never had had any administrative, engineering, or irrigation experience. What is his principal claim to fame? Well, he is a former Government employee under Henry Wallace and a member of the left-wing groups of this Nation. It was such members including those close to the communistic party who helped to force him, a totally improper and inefficient man, a man with strong ideological beliefs, upon the Central Valley. He, with Commissioner Strauss, are now the two most powerful men in the Central Valley; men knowing nothing about our problems; men totally and abysmally ignorant about engineering and irrigation. Mr. President, I wonder how much longer we may have to endure them? I hope not too long.

I should like to proceed for one or two moments further, and then I shall be through. Let me say that I have a great mass of material here which I should like to discuss, all of it tending to corroborate in different forms the final conclusions and charges I have made, but I shall not further intrude upon the Senate in this critical hour of the world. I listened with highest admiration to our great Senator from Michigan [Mr. VANDENBERG] as he expressed his opinions to us of the world issues before the Senate today. I have too great a sympathy for him and too high a respect to further intrude at this time. But I wish to say this in closing, Mr. President: This strange and bizarre, inexplicable incident that I have just been discussing is only 1 of 10 or 15 similar kinds of events that have occurred and are occurring in the Central Valley. Almost 4 years ago, when I first was unguiled in this fight, the Bureau of Reclamation had the loyal support of every great newspaper in the State of California. Today it has the support of but one, and I venture to prophesy that within 60 days the Bureau will lose that. Every informed person in the State of California—public officials, irrigation directors, irrigation lawyers, and engineers—agree with me, Mr. President, when I say that the course and the conduct of this unholy bureaucracy, if long continued, can only breed strife and hate and insolvency. I shall not characterize these men for what I believe them to be, because I have not the proof; but judged by their results, as manifested in these matters, judged by their course of conduct, they are out there to foment hate and ill will among our people, to array class against class, to plunge our irrigation districts into insolvency. Otherwise

their activities have no rational interpretation.

Concluding, I wish to say to the distinguished junior Senator from Utah that I was very grateful when, on his side of the aisle, he spoke for the resolution which I have now introduced, which calls for an investigation of the scandalous practices of these two bureaucracies. Finally, I wish to serve notice on everyone that, come what may, to whatever end, these men will be driven from their positions and this cancerous growth of bureaucracy will be destroyed.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 8, beginning in line 4.

Mr. MAGNUSON. Mr. President, I wish to offer an amendment to the committee amendment on page 9, in line 5.

The PRESIDENT pro tempore. The Senate has not yet reached that point in the bill.

Mr. MAGNUSON. I thought we were considering the subject matter under the heading "General Fund, Construction."

The PRESIDENT pro tempore. No; we are not.

Mr. MAGNUSON. What point have we reached?

The PRESIDENT pro tempore. The pending question is on agreeing to the committee amendment on page 8, beginning in line 4.

Mr. MAGNUSON. Very well; I shall wait.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 8 in line 4.

The amendment was agreed to.

The PRESIDENT pro tempore. The next amendment of the committee will be stated.

The next amendment was, under the subhead "General fund, construction," on page 8, line 25, after the word "facilities", to strike out "\$8,771,600" and insert "\$8,066,600"; and on page 9, line 3, after the words "in all", to strike out "\$11,405,000" and insert "\$10,700,000."

The amendment was agreed to.

The next amendment was, on page 9, line 4, after "Columbia Basin project, Washington", to strike out "\$13,584,000" and insert "\$11,725,000."

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. MAGNUSON. Mr. President, to the committee amendment on page 9, in line 5, I offer the following amendment: Add to the \$11,725,000, the amount provided by the committee amendment, \$1,859,000. I shall make that addition, so as to be able to state the total amount.

The PRESIDENT pro tempore. The Chair has added it; and the situation is that the Senator from Washington is proposing to strike out the committee amendment, providing for \$11,725,000, and to insert "\$13,584,000."

Mr. MAGNUSON. Yes; that is the correct amount. Actually, it is the original amount.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CORDON. I wish to make a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CORDON. Would the appropriate procedure in that case be simply to oppose the adoption of the committee amendment?

The PRESIDENT pro tempore. The Senator from Oregon is entirely correct. The Chair was about to call that situation to the attention of the Senator from Washington, when he had finished his statement. The Senator from Washington would accomplish his purpose by bringing about the rejection of the committee amendment.

Mr. MAGNUSON. Very well. Then I shall address myself to the committee amendment, and I shall withdraw the amendment which I have offered to it.

The PRESIDENT pro tempore. Very well.

Mr. MAGNUSON. Mr. President, like the Senator from California, I do not care to take up much of the time of the Senate on this matter, because I appreciate that we have not much time today for other important matters. But I should be somewhat derelict in my duty to the people of my State if I did not call the attention of the Senate to the cut by the Senate Committee on Appropriations of the amount allowed by the House in the supplemental appropriation for the Columbia Basin project.

I was very much interested in what the Senator from California had to say. Like him, I have for many years gone through the hearings on the Interior Department reclamation and power appropriations. I appreciate there has been much discussion and a great deal of wrangling as to how the Bureau of Reclamation handles its funds. I do not care to address myself to that subject today, nor do I want to inject myself into it.

I have said time and time again before the Appropriations Committees of both the House and the Senate in regard to these matters that it seems to me that we were getting the two mixed up. I have always attempted to address myself to the project itself rather than to the method of the administration of the project, or the administration of the moneys appropriated by the Congress. I have often thought that some of the wrangling regarding the Bureau of Reclamation and the Department of the Interior in regard to reclamation and power projects had hurt the projects themselves, because consideration of the project has been injected into the amount of the appropriations.

I address myself to the Central Valley project, the Columbia Basin project, the Big Thompson project, the Davis Dam project, and other great western reclamation and power projects. In regard to most of them, Congress has morally and legally committed itself to furnish a sufficient amount of money to finish the project, with adequate continuity from year to year.

The Bureau is required to estimate every year not only for itself but for the Bureau of the Budget and for the Congress, and for the Committees on Appropriations, the amount of money it thinks it will need for the coming year,

the amount of money that would provide for a reasonable continuity of progress in the various projects.

Apparently something went wrong the last year, and it is most difficult to arrive at an accurate estimate. For instance, the Columbia Basin project is the greatest reclamation project, I suppose, in the history of man. More money will ultimately be spent to complete Columbia Basin and its triple unit purposes than on any other single project, probably, ever appropriated for by the Congress. It is conservatively estimated that before we are through it will cost from five to six hundred million dollars.

How much should be spent every year is most difficult to estimate, and hit the proper amount right on the nose. On Columbia Basin alone the Bureau of Reclamation has had to come to Congress not only 1 year, not this year alone, but six times, because it is so difficult to estimate for. It is a big contract, weather has entered into the consideration during the war years and in the postwar years, and the ability to get materials, the ability of the contractor to get heavy equipment, and all such things, entered into the consideration. Many times the contracts run out ahead of time, and sometimes they extend beyond the 1st of July, the beginning of the fiscal year. I have often thought that Congress might approach these matters more sensibly if we would appropriate sums to last more than 2 years, particularly in relation to the large projects.

On Columbia Basin, Congress has already spent \$242,000,000 in the past 7½ years. Last year, about a year ago, the estimate of \$31,000,000 was given to the Budget Bureau. The Budget Bureau cut the amount to \$27,000,000, and that was sent to the Congress almost a year ago. Congress cut the estimate from \$27,000,000 to \$21,000,000. But in making the cut Congress directed the Bureau of Reclamation to go ahead and spend the full amount that was requested, for some generators in Grand Coulee Dam, because of the impending power shortage in the Pacific Northwest.

Columbia Basin therefore found itself in a position somewhat different from that of Central Valley, although the cut was only 20 percent. When they were directed to go ahead and spend the full amount on generators, and directed to proceed to keep their administrative organization going for the whole fiscal year, it amounted to a 54-percent cut of the figure the Budget Bureau had sent to Congress, which in itself had been cut from their own original estimate. The result was that Columbia Basin did not have sufficient money to proceed for the full fiscal year. That was not particularly the fault of Mr. Frank Banks, the regional engineer.

Mr. CORDON. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield to the Senator from Oregon.

Mr. CORDON. In order that the RECORD may show the correct figures, I wish to make an inquiry. Did the Senator from Washington say that the Bureau of Reclamation initially asked the Budget for a 1948 appropriation of \$32,000,000?

Mr. MAGNUSON. Somewhat more than \$32,000,000.

Mr. CORDON. I believe the correct figure was \$52,000,000.

Mr. MAGNUSON. I am referring only to the Columbia Basin project. The whole amount was \$52,000,000, was it not?

Mr. CORDON. No; the request for the Columbia Basin project I believe was \$52,700,000.

Mr. MAGNUSON. I understood that to be the original estimate sent down, but their actual formal request of the Budget Bureau was cut down to a little more than \$30,000,000, after they had some preliminary hearings at the Budget Bureau.

Mr. ROBERTSON of Wyoming. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. ROBERTSON of Wyoming. As I understand, the Senator is speaking of the Columbia Basin project, the appropriation for which, as recommended by the Senate committee, is \$11,725,000?

Mr. MAGNUSON. Yes.

Mr. ROBERTSON of Wyoming. I should like to ask the Senator if this is a refundable appropriation. By that I mean are the receipts from the power projects turned into the Federal Treasury to refund the original cost, or, in the case of irrigation and reclamation, do the settlers on the projects refund the amount of the original cost of the project, as they do in most projects in the Rocky Mountain States, such as my own State, Wyoming, or in Montana?

Mr. MAGNUSON. This project is in the same category with the other projects, both as to power and irrigation.

Mr. ROBERTSON of Wyoming. It is a refundable appropriation, is it not?

Mr. MAGNUSON. Yes.

Mr. ROBERTSON of Wyoming. I thank the Senator.

Mr. MAGNUSON. Mr. President, the Columbia Basin project and the Bureau of Reclamation itself are in the position of having their original estimate cut some 46 percent. So the contract on the Columbia Basin project would run out on February 1 unless the supplemental appropriation were made. The Committee on Appropriations wisely considered this would be false economy, so it made a supplemental estimate, for which I am deeply appreciative, to keep the project going until regular hearings can be held and the amount for the fiscal year 1949 can be reasonably estimated.

It is difficult for any bureau, in dealing with a project of this size, to come to the Appropriations Committee and say, "From July 1 of one year to July 1 of another year, this is the exact amount we can spend economically and efficiently, and keep the project going with reasonable continuity, with the progress directed by the Congress."

The House committee added \$1,859,000 to the amount the Budget Bureau recommended for the supplemental appropriation, and all my amendment does is to follow the House directive. I shall read from the House committee report. This relates to a special item. I appreciate the fact that the appropriations subcom-

mittee did not have very much opportunity to go into this so-called special and peculiar item, which resulted in the House adding to the Budget Bureau's figure \$1,859,000. Again I say it is indicative of the manner in which emergencies arise in connection with huge projects. Things occur which cannot be foreseen at the time the estimates are made, and when the estimates are before the Bureau of the Budget or before the Appropriations Committee. The members of the House committee visited the project last summer and went into the matter in great detail. That committee was headed by Mr. JENSEN whom I saw a moment ago in the Senate Chamber, listening very intently to the remarks of the Senator from California.

The committee, headed by Representative JENSEN, inspected the whole Columbia River project. They spent much time going into all the facts, talking to the resident engineers and the field agents. The subcommittee of the House added to the Budget item the amount I am seeking to restore to the bill by rejecting the committee amendment. I hope the Senate of the United States, in a project that is to cost from five hundred to six hundred million dollars, a project on which we have already spent \$242,000,000, will not quibble over \$1,859,000, which can be used efficiently and economically at this time toward the completion of the project. I quote from the report of the House committee on the third supplemental appropriation bill:

The additional amount of \$1,859,000, approved by the committee, is essential to expedite work on the spillway bucket for irrigation facilities and for certain power facilities in connection with installation of three new generators now being installed. Funds for the purchase and the installation of these power facilities must be provided promptly or there will be a delay of 6 months or longer in the date when these new generators can be placed in operation. This delay—

This is what the House committee said in adding this amount, over and above the Budget estimate—

This delay will result in a loss of revenue amounting to about \$2,730,000.

The failure to retain the amount of \$1,859,000 in the supplemental bill will in effect cause a loss to the Government of power revenues for the 6 months' period, conservatively estimated at almost \$3,000,000. It seems to me it would be false economy not to retain the amount in the bill.

A part of the sum also was necessitated by an emergency in connection with the spillway under the Grand Coulee Dam. The water coming over the dam has a backwash. Gravel and rocks have lodged below the dam. The engineers are unable to estimate what damage may have been done to the dam. They have received appropriations for the past year or two, for the purpose of building a caisson to enable them to get underneath the dam during low water and see just what damage is being done to the base of the dam. It is a very serious matter. A part of the funds would be used so that it would make possible within any

low-water period in the Columbia River to determine what damage had been done and what needs to be done in the way of repairs to the greatest dam in the world, Grand Coulee, which furnishes most of the power for the whole Pacific Northwest hydroelectric pool.

The House hearings on the matter are very interesting. I shall not read them in detail, but both the subcommittee on Interior Appropriations and the full House Committee on Appropriations believed that it was such an emergency as to require, first, an inspection of the spillway underneath the dam, and the furnishing of money to enable them to proceed in an orderly manner now during the low-water period to protect this huge investment of the Government, and, second, to furnish the three generators, which in turn will alone bring in \$3,000,000 in revenue during the period that this would otherwise be delayed if the money is not appropriated. The House committee felt it was such a peculiar and emergent matter that the amount ought to be added to the Budget Bureau's figure. I do not know whether the Director of the Budget Bureau was informed of these two matters. I do not believe that much if anything was said during the budget hearings; otherwise, I think I should be safe in saying that the Budget Bureau would have added the amount in a supplemental appropriation.

I hope the Senate will reject the committee amendment and will approve the amount provided by the House bill. The bill would then go to conference with the original amount, and the Senate would be in agreement with the House. The hearings are ample and adequate and sufficiently definite to prove the need of the additional sum to meet the emergency. It would mean that the Government would receive additional revenue, and it would also mean that if there should be a power shortage in the Pacific Northwest, the three generators would be in operation. Above all, Mr. President, this money is going to be spent in any event within the next 4 or 5 months. If it is not authorized in the pending bill, it will probably be placed in the regular appropriation bill. Frank Banks, the district engineer, the House committee, and others who should be informed on the matter, say that the money could be more economically and more efficiently spent now, because of the emergency that exists, than later on.

Furthermore, the expenditure will be returned to the Treasury in the amount of almost \$3,000,000. If we do not spend the \$1,589,000 at this time, we shall lose \$3,000,000.

I see the distinguished chairman of the Appropriations Committee sitting in the Senate Chamber. It seems to me that the larger appropriation represents a real economy, which should appeal not only to the Appropriations Committee but also to the Congress. I hope the Senate will reject the amendment reported by the committee.

It is desired that the Congress adjourn tonight. We could go to conference with the House without any difference at all on this item, which would be

of assistance to the chairman of the committee.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

Mr. BRIDGES. I appreciate very much the solicitude of the distinguished Senator from Washington about our concluding the special session, and about the ease with which the matter could be handled in conference, if we should reject the committee amendment and increase the amount. It has been our practice generally, and I think it is a very sound practice, except for some extraordinary reason, not to increase the recommendations of the Bureau of the Budget and the President. Estimates have been submitted by them. The committee amendment is for the exact amount requested. In other words, the figure of \$11,725,000 is \$4,757,000 greater than the full amount of the Budget submitted last January by the President. It is \$8,000,000 more than was spent in the fiscal year 1947, which was the greatest year of spending prior to this time. I do not see how any harm could be done to this great project, and certainly it would have a salutary effect. I say that, after listening to the speech made by the distinguished Senator from California [Mr. Downey], who described certain of the methods employed by Mr. Straus and the Reclamation Bureau. I think we should proceed with caution so that we may know where we are going and how to proceed, when a great Senator of the United States stands on the floor of the Senate, as the Senator from California has done today, elaborating details of the program and policies and attitude of certain of the heads of the Reclamation Service, particularly Mr. Straus. I hope the committee amendment will be sustained.

The PRESIDENT pro tempore. The question is on the committee amendment on page 9, line 4.

Mr. MAGNUSON. Mr. President, I had not yielded the floor. I want to add a word to what I previously said. I again say that I am not here to become involved in any squabble respecting the administrative methods of the Bureau of Reclamation. I think the distinguished Senator from California [Mr. Downey] has approached the subject in the correct way. If the Bureau of Reclamation is not doing the job as it should be done—and I made the same statement before the Appropriations Committees of the House and the Senate last week—someone else ought to do the job. But I do not want these great projects to suffer by reason of wranglings over the methods which the Bureau used to construct them when Congress has committed itself. And surely, so far as the Columbia Basin is concerned, from all the information I have, it is adequately administered by Mr. Frank Banks, who is one of the greatest reclamation administrators in the world.

Mr. BRIDGES. I should think the Senator from Washington would come to the floor supporting the President's recommendation. So I am rather surprised to find him in opposition to the President's recommendation.

Mr. MAGNUSON. I am glad to support the President's recommendation, but I tried to point out that this is something which its sponsors, so far as I know, never had an opportunity to place before the Bureau of the Budget in the preliminary hearing. As the Senator from New Hampshire knows, the House Appropriations Committee made an appropriation above the amount recommended by the Bureau of the Budget. The very fact that the committee did so ought to be conclusive to Senators that the project is of such a nature as I have stated today. I hope the original amount will be restored to the bill. It will be spent anyway. All these western reclamation and power projects are self-liquidating, and the quicker we complete the projects with reasonable continuity, the quicker the Government and the taxpayers and the people of the United States will get their money back, and the quicker they will add to the welfare and to the great resources of the Nation. We are going to spend this money anyway in the next 3 or 4 months. We can do it better now, because of conditions in my State and because of the fact that the great bulk of the money can be used during the low-water period which comes in about 40 to 60 days.

Mr. CORDON. Mr. President, I rise to support the view of the senior Senator from Washington with reference to the committee amendment in connection with the Columbia Basin project. I took the same position as a member of the Appropriations Committee when the bill was marked up. In supporting the amendment, Mr. President, I am not unmindful of the fact that I cannot present facts and figures to demonstrate the correctness of my view, but I also recognize that those who may have a contrary view will have a like poverty of facts and figures to support their position.

Mr. President, these estimates for supplemental appropriations involving over \$30,000,000 were presented to the House on the twelfth day of December. The Appropriations Committee of the Senate had no knowledge of House action thereon until 3 days ago. The Senate committee had 2 days in which to attempt to understand and evaluate the justifications presented in support of these estimates.

Anyone who has any knowledge, the most superficial knowledge, of the work of the Appropriations Committee, can understand at once that the chore was an impossible one. I say, Mr. President, and I cannot emphasize it too strongly, it is an intolerable situation when a committee of the Congress is faced with the necessity of inquiring into a matter of such magnitude and such complexity, with but 2 days in which to do so.

While I am on my feet I want to place the blame where in my opinion it belongs, squarely at the door of the United States Reclamation Bureau and its Commissioner, Mr. Michael W. Straus.

Mr. President, I do not have the deep knowledge which the senior Senator from California has at his command with reference to the activities of the Reclamation Bureau. I regret that it

is ever necessary for a man to stand up and raise his voice in criticism of servants of the American Government. I do it with reluctance, Mr. President, but I believe there is a duty which rests upon those servants of the American people who happen to sit in the legislative branch of the Government, to do for the American people some kind of a job in a government of checks and balances; and in this instance there has been neither check nor balance.

Mr. President, there is no question as to whether the work of the Reclamation Bureau could have been so scheduled as to have obviated any necessity for the consideration of supplemental appropriations at this special session of the Congress. It is not open to argument. There was a deliberate accelerated program which resulted in exhaustion or near exhaustion of funds, and in my opinion was intended to have that result. The funds are now in such condition that in order to whip the individual responsible the Congress must use the lash on the people of the country and not upon the culprit. For that reason, after as full an examination as could be made in the short time available, I find myself in the position of, let us say, a man in a ship at sea with another on board who is cavilling about whether enough money was spent in building the ship, and believing that the ship would never reach land, goes down and knocks a hole in bottom of the craft.

Mr. President, in such a situation I must repair the leakage of the ship and leave the rest of the matter for later attention. In doing that I find it necessary to support the action that was taken by the House. I cannot justify it based upon a comprehensive investigation. I do however know that the funds face exhaustion. I do know that the projects should continue. I do know that there are thousands of workmen on the projects not only in the Columbia Basin, but in the Central Valley project, the Colorado Big Thompson project, and the Davis Dam, who have moved their families and belongings to the project sites and are depending for their daily bread upon the work at those sites. I do know that jobs have already been shut down in Central Valley. I do know, from the balance sheet which was available and was presented, that other jobs will be shut down in 2 months on the Columbia Basin project. I know that those men must seek work somewhere else, and move their families, if they can find quarters, in the middle of the winter. I know that the projects, the physical work, will suffer if the jobs are called off. I know that as a result it will cost more money to do the same amount of work.

The fact that the situation could have been avoided does not alter the fact that it was not avoided, and the fact that the situation exists. Therefore my support is based—and I believe logically—on the proposition that we must deal with the facts we find, and fix the responsibility later. I am therefore supporting the figures which were set by the House.

I now come to the meat of the coconut in connection with the Columbia Basin project. Those figures are higher, by approximately \$1,800,000, than the figures

set by the Bureau of the Budget. I support the higher figure for the reason that the Columbia Basin project embraces a project for the reclamation of more than 1,000,000 acres of land now arid. The cost to the United States of reclaiming that land will approximate \$350 an acre. The price at which such land will go to the farmer-settler is \$85 an acre. The difference between the price to the settler and the price which the Government will be compelled to pay to reclaim the land must be paid out of revenues accruing from the power generated at the dam. It requires no great consideration of the matter for anyone to understand that the primary need is to provide funds which will make possible revenue to the extent of 75 cents out of every dollar which must come from power. That is the first requisite. The funds provided in the bill, to the extent of a little more than \$1,000,000, were for the purpose of adding power facilities so as to have that revenue coming in at the earliest moment. Because that is so essential, I am supporting the figure of the House.

Mr. President, I do not know whether the Budget figures could have been used. In 2 days no man could satisfy himself on that point, and I am perfectly frank in saying that I have no argument on that score. If the Senate feels that the Budget figures must be adhered to—and I hope that is not the feeling—then I urge, if the Senate action be sustained in a conference report, that the Bureau be directed to make the primary expenditure for the first essential in that program, which is to get a repayment of 75 percent of the ultimate Government outlay.

Mr. President, I hope that the Senate will reject the committee amendment and adopt the figures of the House. I can understand the argument on the other side. I have sympathy with it, and I have none for the Bureau. I wish I could have gone into the subject and could have joined in a settlement in which reasonable minds could meet, after a full understanding of the problem. We did not have time to do the job. We were operating with a gun at our collective heads. Under the circumstances the best judgment I have been able to reach on the matter, after spending 2 days in the hearings, is the judgment which I have stated. Incidentally, Mr. President, I was the one member of the committee who, by virtue of necessity of presiding, was in the hearings for the full time. Other members of the subcommittee spent as much time as they could on the problem, considering their other duties. As a result of hearing all the testimony, little as it was, unsatisfactory as it was, incomplete as it was, I find myself supporting the position of the Senator from Washington [Mr. Magnuson] and supporting the action taken by the House with reference to this item.

Mr. MAGNUSON. Mr. President, I wish to express my appreciation—and I know the appreciation of the people of the State of Washington—to the Senator from Oregon. I am aware of the great handicap under which the Senator from Oregon operated in conducting the hearings. I am deeply sympathetic with

what he said as to the element of time involved. The task was most difficult. The Senator was very patient, and heard everyone. He spent all of his time on this problem. I merely wish to ask the Senator a question. He is familiar with the fact that in the State of Oregon and the State of Washington, despite the fact that we have a great hydroelectric pool at Bonneville, Grand Coulee, and other dams, private and public, there is an impending power shortage. This money for the three generators would not only bring in extra revenue but would somewhat fortify us, in a very substantial way, against any impending power shortage which may occur in either or both States.

Mr. CORDON. The Senator is absolutely correct. I did not advert to that fact, however. To me the compelling factor is the reimbursement to the Government of funds which must be spent and the fact that three-quarters of such reimbursement must come from power generation.

Mr. MORSE. Mr. President, I wish to say to my friend and colleague that I join with him in every argument he has expressed this afternoon in a most commendable—and, in my opinion, unanswerable—fashion. I believe that more need not be said in support of the position which the senior Senator from Oregon has taken.

The PRESIDENT pro tempore. The question is on agreeing to the committee amendment on page 9, line 4. [Putting the question.] The "noes" seem to have it.

Mr. BRIDGES. Mr. President, I ask for a division.

On a division, the amendment was rejected.

The PRESIDENT pro tempore. Are there further amendments to be proposed?

Mr. DOWNEY. Mr. President, in my recent incoherent remarks I overlooked one point which I should have made as to the exhaustion of the funds to pay the contractors. Legal opinion differs as to the status of the contracts.

I offer the amendment which I send to the desk and ask to have stated.

The CHIEF CLERK. It is proposed, on page 9, after line 5, to insert the following:

The Federal courts shall have jurisdiction upon petition of either party to interpret by declaratory decree any contract for the performance of work for which this appropriation may be used.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. KNOWLAND. Mr. President, the question of the Central Valley project is in the same category as that of the Columbia River. However, since the Appropriations Committee took action only last night, and, I am a member of the committee, I did not feel justified in trying to upset the decision of the committee; but, under the circumstances, I should like to ask the chairman of the Appropriations Committee if, in view of the parliamentary situation as it now

exists, he would permit the reconsideration of the vote by which the committee amendment with reference to the Central Valley project was adopted so that it may go back to the House in the way it came from the House?

Mr. BRIDGES. I will say to the Senator from California that I was opposed to both increases provided by the House. It rather amazes me to see some Senators who are supporters of the President's program advocating upsetting the President's budget. But inasmuch as we have overturned one item, by all means I think the Senator has taken a very logical position in asking that we overturn another.

Mr. KNOWLAND. Mr. President, I move that the vote by which the amendment of the committee on the Central Valley project was adopted be reconsidered.

The PRESIDENT pro tempore. Without objection, the amendment will be reconsidered; and, without objection, the committee amendment will be rejected.

Are there any further amendments?

Mr. KNOWLAND. Mr. President, there were two amendments, one on page 8, line 25, and the other on page 9, line 3.

The PRESIDENT pro tempore. Without objection, the same order will be made as to both.

Mr. O'MAHONEY. Mr. President, I wish to invite the attention of the chairman of the Appropriations Committee to the amendment on page 5, line 15. The committee amendment was adopted while I was absent from the floor. I have had a conversation with the chairman of the committee and am satisfied that the circumstances are such as to warrant my asking unanimous consent that the action by which the committee amendment was adopted be reconsidered, in order that I may seek to restore the amount provided in the bill as it came from the House.

This question arises by reason of a misunderstanding of the committee last night. Senate Joint Resolution 167, which was passed by the Senate yesterday afternoon and which I might say was passed by the House today, carried a provision to enable the President to carry out section 8 of that joint resolution, which provides that—

For the remainder of the fiscal year ending June 30 there is hereby made available not to exceed \$1,000,000 from any funds made available by the Congress.

So it was assumed by the committee that since that was an appropriation of a million dollars the deduction should be made in the appropriation bill. A reading of the appropriation bill, however, would indicate that it makes it clear that the figure of \$1,750,000 which was adopted by the committee and has since been agreed to by the Senate is an over-all limitation upon all funds from whatever source; so that the committee, instead of acting to preserve \$2,750,000 for the Department of Agriculture to carry out the program, is reducing the fund by \$1,000,000. The Secretary of Agriculture has written to the chairman of the committee a letter in which he has stated that under no circumstances will he expend more than \$2,750,000. That is the sum of \$1,000,000 as allowed in the Taft anti-inflation bill and \$1,750,000. Un-

less the amendment is reconsidered and the figure of \$2,750,000 is restored, the cut will be below that which the committee desires.

Mr. BRIDGES. I have no objection.

The PRESIDENT pro tempore. Without objection, the amendment will be reconsidered; and, without objection, the committee amendment will be rejected.

Mr. O'MAHONEY. Mr. President, I ask that the letter from the Secretary of Agriculture to the chairman of the Appropriations Committee be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington.

HON. STYLES BRIDGES,
United States Senate.

DEAR SENATOR BRIDGES: In order to clarify the Department of Agriculture's position with respect to the carrying out of the food and feed conservation program contemplated by H. R. 4748, I respectfully request that you either restore the amount in line 15, on page 5, under the item "Department of Agriculture," to \$2,750,000 or remove the language beginning on line 21 on page 5, reading as follows: "; and (b) any programs approved by the President under existing laws to encourage conservation practices in this country."

The effect of either of the above suggested alternative amendments is to make available to the Department the total aggregate sum of \$2,750,000, under both bills. It is not my intention to spend the \$1,000,000 provided for in S. J. Res. 167 twice and I assure you that if the above request is granted it will not be spent twice. Copies of the two bills referred to are attached.

Sincerely,

CLINTON P. ANDERSON,
Secretary.

Mr. HAYDEN. Mr. President, I move to amend, on page 4, line 23, by striking out "\$50,000,000" and inserting in lieu thereof "\$85,000,000."

I make this motion on my own behalf and on behalf of the senior Senator from Florida [Mr. PEPPER] and the junior Senator from Florida [Mr. HOLLAND].

The situation, as I understand, is that without this limitation a very large sum of money might be expended in lieu of wheat. There is a sound reason for a substantial sum in lieu of wheat. The Army and the State Department buy, to ship abroad, commodities which are scarce, when we have surpluses of other commodities on hand. A provision was placed in the relief act to allow the Commodity Credit Corporation to dispose of commodities at the equivalent caloric value of wheat. It obviously costs more money to supply the calories in the form of dried fruit or eggs or something of that kind; but it does get rid of a surplus and it affords variety in the diet. We inquired of the Commodity Credit Corporation and were told that there were surpluses available in the United States, indicating that \$90,000,000 could be used in lieu of wheat; and it is for that reason that I think the amount should be increased.

Mr. MAYBANK. I should like to ask the Senator from Arizona if he does not think that would defeat the objective sought to be attained?

Mr. HAYDEN. It depends on whether the Commodity Credit Corporation has any of these commodities. The provision of law is that anything the Commodity Credit Corporation owns or hereafter acquires may be used as a substitute for wheat on a wheat-calorie basis. I do not know whether the Corporation has any such commodities available.

Mr. MAYBANK. Would the Senator construe the law to mean that if the Corporation did not have any, and if sweetpotatoes were a drug on the market, they could be substituted for wheat?

Mr. HAYDEN. Yes.

Mr. MAYBANK. Would it have to be left to their common sense?

Mr. HAYDEN. Yes.

Mr. HOLLAND. Mr. President, I may be able to answer the question just raised by the senior Senator from South Carolina, because I called earlier today Mr. Jesse B. Gilmer, who is the head of the Commodity Credit Corporation, and who advised me that they have already on hand under a price-support program a small amount of sweetpotatoes, approximately a half-million dollars' worth, and that any amount they have can be used in this program.

Mr. MAYBANK. I appreciate the statement of the Senator from Florida. There is also a large quantity of dehydrated sweetpotatoes which I should like to see used in this program.

Mr. HOLLAND. I thank the Senator.

Mr. President, I want to speak very briefly on this matter, because I realize that it is desired to speed the bill to final action.

I ask unanimous consent to have inserted as a part of my remarks a letter dated December 19, 1947, addressed to me from Jesse B. Gilmer, Administrator of the Production and Marketing Administration, and President of the Commodity Credit Corporation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
Washington, D. C., December 19, 1947.

HON. SPESSARD L. HOLLAND,
United States Senate.

DEAR SENATOR HOLLAND: In conformance with your telephone request of this morning, I submit the following information.

We have not completed a detailed analysis of that portion of the interim-aid legislation which authorizes the sale of price-support-acquired commodities by Commodity Credit Corporation to foreign relief programs. Also, we have not analyzed in detail the effects of a limitation of \$50,000,000 total loss which could be incurred by the Government under such a program.

We now have in our inventory approximately 28,000,000 pounds of dried eggs and 60,000,000 pounds of frozen eggs which were acquired under the mandatory CCC egg price support program during the calendar year 1947. Our inventory cost of dried eggs is approximately \$37,000,000 and our inventory cost of frozen eggs is approximately \$20,000,000. Assuming that the wheat cost equivalent based on a calorie common denominator for dried eggs was approximately 10 cents per pound and a cost of frozen eggs of approximately 2½ cents per pound, and further assuming that these com-

modities would be moved under this legislation at this minimum cost, the loss to CCC would be approximately \$33,000,000 for dried eggs and approximately \$19,000,000 for frozen eggs.

We now have contracted for or are in process of contracting for under a CCC price support program approximately 100,000 tons of raisins, 80,000 tons of dried prunes. These commodities will bear an inventory cost to CCC of approximately \$16,000,000 and \$14,500,000, respectively. Assuming that these commodities would move into the foreign relief programs at the minimum cost (wheat calorie equivalent) the loss to CCC would be approximately \$14,000,000.

The above assumptions reflect a price on the inventory based on "where-is" and "as-is" basis and does not reflect special packaging costs which place the commodities in the most efficient form for relief feeding and freight to port and ocean transportation. I do not know, but I assume that the Congress does not intend to include packaging and transportation as loss items to CCC, but as expenses properly borne by the appropriate recipient agencies. If this assumption is not correct, any cost incurred by CCC for these items would, of course, increase directly the loss on commodities sold in package form and delivered at the cost equivalent of wheat.

Dried fruits and dried or frozen eggs are the only commodities which CCC has in inventory as a result of a price support program in any appreciable quantity.

Representatives of the citrus industry, the honey industry, the tree nut industry, and the Northwestern apple industry have recently informed us that the supply and price situation on these commodities is, in their opinion, such that some action by CCC is necessary if the industries are to receive the assistance which in the opinion of their industry leaders is fair and reasonable and necessary to protect the economy of the industry. We do not today have price support or active diversion programs affecting any of these commodities.

Sincerely yours,

JESSE B. GILMER,
Administrator, PMA, and President, CCC.

Mr. HOLLAND. Without quoting at length from this letter I shall simply give three or four figures which show what we of the citrus industry are up against. The provision placed in the appropriation bill in the House, limiting the aid which may be given under this bill to producers of agricultural commodities which are in surplus to that amount of trading which will show a total of not over \$50,000,000 of loss to Commodity Credit Corporation will completely nullify the intent of both Houses in trying to improve the distressed situation in which the citrus industry and several other agricultural industries are at this time. By reason of the figures shown in Mr. Gilmer's letter it is indicated that the stocks of dried eggs and dried fruits already held by CCC are themselves in sufficient amount so that if those stocks are purchased under this program at the wheat calorie equivalent basis it will practically exhaust the \$50,000,000 limitation. The figures are \$33,000,000 of loss for dried eggs and \$14,000,000 of loss for dried fruits. So that \$47,000,000 of the limitation of \$50,000,000 could be used up by these two commodities alone if the limitation stands as it is in the bill.

The citrus industry is a large industry and is in bad condition. As compared with its revenue to the growers in

1944-45, which amounted to \$424,000,000, and in the next season, 1945-46, when the revenue was \$418,000,000, the revenue to the growers last year was only \$260,000,000. In other words, our citrus industry has been one of the first to suffer and to feel the result of decreased war purchases. The results obtained so far this year are even worse.

So, Mr. President, we hope this amendment will be adopted. We think it will carry into effect the intention of both Houses in writing the original provision into the authorization act.

I close by saying simply this, because I know some Members of the Senate were very much interested in including a limitation in this measure: I am in accord with that theory, and I think we would have done better if we had put a limitation in the authorization measure originally, but I do not believe the Senate wishes this limitation to stand as now in the bill, for by its terms it really defeats the objective which both Houses had in mind in placing in the authorization measure the provision for use of surplus agricultural commodities which are under price support programs.

So, Mr. President, I hope the Senate will adopt the amendment, which would change the figure in the bill from \$50,000,000 to \$85,000,000.

Mr. BRIDGES. Mr. President, the committee recommended the \$50,000,000 item after careful consideration. The Senator from Florida has raised the question of citrus fruits. I quote from a statement by the State Department:

The shipping of citrus fruits cannot be justified in terms of Europe's aid. It can only be justified in terms of removing a United States surplus or building a future export trade.

I quote from another statement by the State Department:

The shipment of citrus fruits is not contemplated in this bill.

I quote now from another statement by the State Department:

Italy and France now have access to their own crops of citrus fruits.

This is another statement that was made to us:

Canned citrus fruit is something over 85 percent water and has almost no caloric content. It does have vitamins, but not the calories we are seeking.

So, Mr. President, I do not think there will be any hardship. Let us remember that every cent we increase this item will mean that the Government of the United States and the taxpayers of the United States will have to pay out that much more. Many persons believe that this item is not an appropriation. But it means that we authorize losses which may be paid by the Treasury of the United States, which must come from the pockets of the taxpayers. So I should like to see this item kept at the minimum figure of \$50,000,000, which is a fair figure.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Arizona [Mr. HAYDEN], on behalf of himself and the Senators from Florida.

Mr. SALTONSTALL. Mr. President, I rise to join in supporting the position

taken by the chairman of the committee on this item. I have tried to look into it and to understand it as thoroughly as I could.

The Commodity Credit Corporation may take certain losses. We cannot say definitely that all the losses it takes in shipping food abroad will be greater than the losses it might take in having the food spoil here at home; but our purpose in the aid bill is to provide aid as efficiently and as economically as possible. At the hearings the Army pointed out to us that the most economical food it could send abroad was wheat or grain products. Wheat costs 3.4 cents per thousand calories. The commodities now in the possession of the Commodity Credit Corporation, being mostly eggs, potatoes, and dried fruit—raisins and prunes—will cost 16.43 cents per thousand calories, or more than 4½ times as much as wheat.

We wish to save as much wheat as we can for our own use. Actually, when the processed foods are completely ready for shipment abroad, they will cost \$142,000,000, on the basis of their caloric content. Those are the foods now in the possession of the Commodity Credit Corporation. Wheat of the same caloric value will cost \$30,000,000. So the shipment of the processed foods now in the possession of the Commodity Credit Corporation, instead of the shipment of wheat, will result in a loss of approximately \$100,000,000 to the Treasury.

Mr. KNOWLAND. Mr. President, will the Senator yield to me?

Mr. SALTONSTALL. I shall be glad to yield as soon as I complete my statement.

Mr. KNOWLAND. Certainly.

Mr. SALTONSTALL. Now the House of Representatives has limited this loss to \$50,000,000. The amendment offered by the Senator from Arizona [Mr. HAYDEN] seeks, as I understand, to increase the amount to \$100,000,000, primarily for the purpose of the utilization of the citrus fruit juices from Florida and other sections of the country. I am informed that grapefruit, which is the citrus fruit of which there is the greatest surplus, is 85 percent water. The fruit itself will not be shipped abroad; it is impractical to ship it abroad. Neither the State Department nor the Commodity Credit Corporation say that it is possible to ship grapefruit or oranges without canning them.

I am informed that the Commodity Credit Corporation now has no canned citrus fruits in its possession. Of course it can buy canned citrus fruits; but I am also informed by the Department of Agriculture and the Commodity Credit Corporation that, although there is plenty of canned citrus fruit now on the shelves of the stores, there is not at the moment a surplus of citrus fruit.

Mr. President, in connection with the question of adopting this provision, which comes under the authorization act, we should remember that we wish to make it possible to send abroad foods which are in surplus supply, but we do not wish to increase to an excessive extent the cost of the relief we furnish, in a way that is not by means of direct ap-

propriation. We safeguard ourselves in that respect when we limit the amount of these foods to a loss of \$50,000,000.

Mr. President, for these reasons I hope the amendment of the Senator from Arizona will be rejected.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. KNOWLAND. I should like to say to the Senator from Massachusetts that I think he performed a very useful service the other day when the authorization bill came back from the House of Representatives with the additional language which the House had inserted, providing for the cancellation of the notes of the Commodity Credit Corporation by the Secretary of the Treasury. The House amendment left the matter more or less wide open. When the bill left the Senate it would have required the Commodity Credit Corporation to come before the Appropriations Committee and justify its expenditures under this program; and I think leaving it wide open was a mistake.

However, I am inclined to believe, with the Senator from Arizona, that this language is too restrictive. The fact of the matter is that the losses do not come from using these substitute foods in the foreign-relief program. The losses, if any, arise from the Commodity Credit Corporation's price support program as a whole. Therefore, if commodities which have been purchased and are now in the hands of the Commodity Credit Corporation, are not used in this export program, but are held beyond a certain period of time, they will be a total loss—as in the case of potatoes—and not merely a partial loss.

The provision will at least permit the disposal of such commodities at a price based on the caloric equivalent of wheat, and to that extent I think it not only saves the exporting of wheat, which is immensely important in our program to hold down prices, but it is also a food-conservation program, to prevent the spoilage of food in this country, as occurred in the case of potatoes.

So that at least some of the losses which the Senator mentions are very apt to take place, regardless of whether the Senate raises this particular figure. While I believe it would be unwise either to leave it wide open or even to double the amount to \$100,000,000, as I understood the Senator from Massachusetts thought it was being raised to, I am inclined to believe there would be some merit in the committee's taking to conference a figure of \$75,000,000, which would both set a top side limit and at the same time would assure that we would not have a wastage of food.

Mr. SALTONSTALL. Mr. President, I agree with much of what the Senator from California has said. The amendment which was originally adopted by the Senate was a better amendment, in my opinion, than the amendment which came from the House and which was finally written into the law. It is true that the Commodity Credit Corporation may take a loss. The question we must consider is whether, to make our aid abroad as practical as possible, as quick

as possible, and as efficient as possible, from the point of view of nourishment, we can use some of these surplus foods.

I feel that the \$50,000,000 limit is a good one, because it permits us to use the foods which are in the hands of the Commodity Credit Corporation, as I understand, and a little more than is now on hand, and that neither the State Department nor the Commodity Credit Corporation intend to use citrus fruits anyway.

Mr. HAYDEN. Mr. President, if the State Department or the Army do not intend to use citrus fruits, well and good. What I am trying to tell the Senator is that the head of the Commodity Credit Corporation says he has on hand now surplus commodities which he could apply in the manner suggested. In accordance with the suggestion of the Senator from California, would it satisfy the Senator from Massachusetts to make the figure \$75,000,000? If so, I shall modify the amendment.

Mr. SALTONSTALL. I am supporting the chairman of the committee. I shall support whatever amendment he thinks is desirable.

Mr. HAYDEN. I modify the amendment to provide \$75,000,000.

Mr. HOLLAND. Mr. President, let me add one more thought to the discussion, because I know the distinguished Senator from Massachusetts does not want anything to remain in the RECORD which will be found later not to be in accord with the facts.

It is not a fact that citrus is not in surplus. It is terribly in surplus. Last year we permitted something like the equivalent of 9,000,000 boxes of citrus to fall off the trees and go back into the ground, and the very presence of that large surplus cut down the prices of everything that could be marketed. As to this year, it is stated freely, and it will be found admitted in the Department of Agriculture, that the prospect is that something like 30,000,000 boxes may have to go the same way.

The statement made by the Department to the distinguished Senator from Massachusetts is, I suspect, technically correct, but in this respect only, that the canners and processors have been very careful this year not to process anything until they have some market in hand for it, because to process the fruit means that they have to invest additional money in the product. But the fact remains that unless there is some additional market supplied either through the purchase of canned fruit or concentrated fruit, there will be this immense surplus in the producers' hands which will bring disaster to a tremendous industry.

Mr. SALTONSTALL. Mr. President, I did not mean to say that there was not surplus grapefruit last year, and that there probably will be surplus grapefruit this year. My information within the hour from the Department of Agriculture is that there is no present surplus of canned citrus fruits, that they are in ample supply, which may lead to a surplus later on in the amount of citrus fruit.

Mr. HOLLAND. I suspect that is approximately correct, because the addi-

tion of the cost of canning or making concentrate, either one, would not be justified under present conditions, because the market has simply collapsed and fallen to pieces.

Mr. President, I wish to remind the Members of the Senate that while we are spending the immense amount of money authorized to help people overseas, it is not going to do any harm to the program if we take some cognizance of the fact that there are distressed agricultural producers in our own country, and if we leave something in the program which will bring to them some measure of relief.

I wish to say now that the extension of the surplus purchase program, which is for the benefit of producers and cannot benefit anyone else, will, I think, do more than any other one thing to popularize and make understood this foreign-aid program in the communities of our Nation, which are in those agricultural areas where surpluses already exist.

Let me say, because I did not read from the letter in detail, that the letter from Mr. Gilmer makes it very clear that not only in the case of citrus, but also in the case of apples in the Northwest, and in the case of nuts, as well as honey, there has already been evidence of tremendous surplus production, which has placed those industries in distress, and that the Department of Agriculture is being asked to give price support to those four industries.

Mr. President, I again call attention to the fact, brought out so ably by the Senator from California [Mr. KNOWLAND], that the mere fact that we put in the bill the \$50,000,000 limit, or the \$85,000,000 limit, which is suggested, does not mean by any manner of means that we are increasing by that much the appropriation to go into this foreign-aid program, because, to the contrary, these surplus goods cannot be sold in the open market, at least for anything like the support price which is already invested in them by the Commodity Credit Corporation, the support price being 90 percent of parity.

I am told by Mr. Gilmer today that, in the case of dried eggs, if they were not sold under the program—most of them have to be used, he says, in the first 3 months of next year—to prevent spoilage, and that there is no existing market where they can be sold for anything like what the Commodity Credit Corporation has invested in them.

Therefore it is not an addition to the program, in the total amount of the limit, in any sense of the word, if the limit is fixed at \$85,000,000, as suggested by the amendment of the Senator from Arizona.

Mr. HAYDEN. Mr. President, will the Senator from New Hampshire yield to me to modify my amendment so as to make it read "\$75,000,000"?

Mr. BRIDGES. Mr. President, I wish to say that the hour is getting late, and unless we get the bill through and get it into conference with the House the special session will end with no bill, because Members of the House and the Senate are drifting away from Washington. So I hope we can limit the debate. This is not said in criticism of the distinguished

Senator from Florida or the distinguished Senator from Arizona in presenting the case for their constituents, because I respect them for doing that.

I think \$50,000,000 is a fair figure, and I point out that this money is coming out of the taxpayers of the United States. If we can arrive at a figure that is not too far out of line with that, I will accept it for the committee and take it to conference. But I think the figure of \$85,000,000 or \$75,000,000 is too high.

Mr. HAYDEN. We will make a Yankee trade. I will make it \$70,000,000.

Mr. BRIDGES. If the Senator makes a Yankee trade, he will have to come down nearer to my figure.

Mr. HAYDEN. The Senator can control that, if he is taking it to conference, and that is what he has promised to do.

Mr. BRIDGES. If the Senator will agree to \$65,000,000, I will accept the amendment.

Mr. HAYDEN. I should like to have a vote on the \$70,000,000 figure.

The PRESIDENT pro tempore. The question is on agreeing to the amendment submitted by the Senator from Arizona, the figure of which has been changed to \$70,000,000.

Mr. KNOWLAND. Mr. President, I should like to ask the Senator from New Hampshire, the chairman of the Committee on Appropriations, whether we could not agree on the \$70,000,000 figure, and take the amendment to conference, and save the necessity of a vote.

Mr. WILLIAMS. Mr. President, would it be possible for the chairman of the committee to yield to me for 5 minutes?

Mr. BRIDGES. I understand the Senator from Delaware desires to speak on a matter in the nature of a question of personal privilege, and I should like to have the particular question we are considering settled, if we can decide on it. I think a fair compromise between \$75,000,000 and \$50,000,000 is splitting the difference, is it not? I have done a little better than split the difference in suggesting the figure \$65,000,000.

Mr. HAYDEN. I accept the Senator's figure.

The PRESIDENT pro tempore. Will the Senator state his amendment?

Mr. HAYDEN. Mr. President, I move to increase the amount from \$50,000,000 to \$65,000,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

BUREAU OF INTERNAL REVENUE—
DISTRICT OFFICE, WILMINGTON, DEL.

Mr. WILLIAMS. Mr. President, a few months ago, information was presented to my colleague, the senior Senator from Delaware [Mr. Buck] and myself to the effect that there were certain irregularities in the accounts of the district office of the Bureau of Internal Revenue at Wilmington, Del. Since that time my colleague and myself, with the assistance of the Senator from New Hampshire [Mr. BRIDGES], as chairman of the Senate Appropriations Committee, have thoroughly investigated this case.

It has been disclosed by an investigator of the Appropriations Committee

of the United States Senate that since 1940 there have been manipulations of various accounts in this office, involving approximately 2,000 transactions from the various taxpayers of the State of Delaware.

Further evidence of these discrepancies has just been revealed showing that during this period several checks have been stolen or misappropriated from my own personal account in that office.

These items were immediately called to the attention of the Commission of Internal Revenue. An investigation was conducted by that department, which is confirmed by a letter signed by Mr. George J. Schoeneman, Commissioner of Internal Revenue, which I shall later insert in the RECORD disclosing the fact that the checks were received, endorsed, and cashed by the proper officials of the Bureau of Internal Revenue at Wilmington, Del., but that the proceeds thereof were not credited to my account.

In addition to my own checks, other checks totaling an amount as yet undisclosed have been misappropriated.

At least one of the officials responsible for the theft has been apprehended and is now awaiting indictment by the Federal grand jury at Wilmington. In the meantime, the General Accounting Office is in the process of completing an audit to determine the total amount of the shortage which will make it possible to bring to justice any and all officials who may be involved.

At the request of the United States District Attorney and the Commissioner of Internal Revenue, I am refraining in this report from including the names of individuals who are awaiting indictment or who are under suspicion.

At this point I ask unanimous consent to have printed in the RECORD as a part of my remarks a copy of the letter from the Bureau of Internal Revenue in Washington, signed by Mr. George J. Schoeneman, Commissioner, confirming the statements which I have made regarding the checks involved in my own account.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURY DEPARTMENT,
Washington, December 19, 1947.

Hon. JOHN J. WILLIAMS,
United States Senate.

MY DEAR SENATOR: It was indeed distressing to me to learn in a telephone conversation with you this morning that inferences embarrassing to you had been drawn from a situation which developed in the office of the collector of internal revenue, Wilmington, Del. I hasten to assure you that there is absolutely nothing in this situation which reflects in any way upon any transactions between either you or Mrs. Williams and the internal revenue service.

The facts are these. Some months ago, discovery was made of a defalcation on the part of one of the employees of the collector of internal revenue for the District of Delaware. This defalcation was accomplished by taking cash remitted by one taxpayer and later covering the shortage by applying the payment of another taxpayer to the first account. One of the checks thus used to cover an embezzlement was a check which you remitted in payment of the estimated tax of yourself and Mrs. Williams.

Obviously, this is a matter over which you could not possibly have had any control and

I sincerely hope that this explanation will clear up any misunderstanding which exists in the mind of anyone concerning the affair.

I may add that appropriate action is being taken under the offending employee's bond to adjust your account and others involved. The question of prosecution of the erring employee is now in the hands of the appropriate United States District Attorney.

Very truly yours,

GEORGE J. SCHOENEMAN,
Commissioner.

Mr. WILLIAMS. In order that the citizens of the State of Delaware who pay Federal income taxes through the Wilmington office may not be unduly alarmed by these revelations, I wish to add, I have been informed, that the employees of the Wilmington office of the Bureau of Internal Revenue are bonded and that both the taxpayers and the Federal Government are thus protected.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 167) to aid in the stabilization of commodity prices, to aid in further stabilizing the economy of the United States, and for other purposes, and it was signed by the President pro tempore.

COMMITTEE SERVICE

Mr. FLANDERS. Mr. President, I ask consent of the Senate to be relieved from service on the District of Columbia Committee. I have had the good fortune to be assigned to four hard-working committees, Banking and Currency, Post Office and Civil Service, and the Joint Committee on the Economic Report, as well as the District of Columbia Committee. I find it impossible to carry on my duties on all four committees, and therefore I ask to be relieved from service on the one which I have most neglected.

The PRESIDENT pro tempore. Without objection, the order is made.

THIRD SUPPLEMENTAL APPROPRIATION ACT, 1948

The Senate resumed the consideration of the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

Mr. BRIDGES. Mr. President, I ask for the adoption of two perfecting amendments. First, on page 2, line 22, I move to strike out "S. 1774" and insert "Public Law 389."

The amendment was agreed to.

Mr. BRIDGES. On page 7, in line 4, after the word "commodities", I ask that there be inserted the words "or voluntary agreements relating thereto". That is in line with the bill that was passed yesterday by the Senate.

The amendment was agreed to.

The PRESIDENT pro tempore. If there are no further amendments, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

Mr. TAYLOR. Mr. President, it is not my purpose to take the time of the

Senate for any considerable period. I feel constrained, however, to say that in my opinion our foreign policy is going to go down in history as one of the most magnificent fiascos the world has ever seen. The only good thing about it is that possibly some hungry people will get some food out of it. So far as accomplishing our objective of heading off communism or of making friends in the world is concerned, I think it is working in exactly the opposite direction. Most certainly, insofar as China is concerned, any money that is given to Chiang Kai-shek will not go to the feeding of hungry people. I am surprised that in the hearings with reference to China, Gen. Feng Yu-hsiang was not invited to testify. He was a high officer in China, ranking second only to Chiang Kai-shek. He has split with the Generalissimo, and certainly he should be a first-hand source of information regarding what goes on in China.

I had a conference with General Yu-hsiang the other day, and he told me that if this money goes to China, it will not be used to feed anybody, that Chiang Kai-shek and his henchmen will appropriate the money to themselves. He stated that Chiang Kai-shek, the Soongs, and a few of the other rich families in China are despoiling the people mercilessly, and either hoarding money or investing it abroad. The general suggested that that should be investigated. He stated that Chiang Kai-shek realizes his days are numbered in China, and that it is hopeless to try to keep him in power. Therefore, Chiang Kai-shek and his corrupt associates are piling up reserves in foreign countries against the day when they will have to leave China. General Yu-hsiang split with Chiang Kai-shek when he outlawed the Democratic League.

I am convinced that appropriations for China at this time are like pouring water down a rat hole, only we are pouring corn down the rat hole. The rats like corn, and we are just feeding the rats at the bottom of the hole. Certainly we are not going to destroy any of them.

We talk about aiding other countries and protecting them against invasion of their rights by foreign powers. Here are two clippings from each of which I desire to read a paragraph. John Foster Dulles on his visit to Paris recently made the following statement, as it appears in an article by Lansing Warren from Paris on December 4, 1947:

I have come to Paris to witness the magnificent effort that the French people are making against foreign penetration. I consider this is more important than what is happening at the London Conference.

I read from an article by Andre Visson entitled "French-Soviet Divorce" with a subheading "Russian blunders." At the end of the article we find the following interesting paragraph:

But we should realize that it may at any time expand into a general antiforeign feeling.

He says there is now a growing anti-Soviet feeling in France, but we should realize that it may at any time expand into a general antiforeign feeling. What

is more important is how the Frenchmen will feel toward us, Mr. President, after all our aid extended to them, and our proposed aid. I continue to read from Andre Visson's article:

Indeed, the last Gallup poll in France revealed that only 18 percent of the French people believe that the Marshall plan is motivated by a sincere desire to help. Fifteen percent attribute it to our desire to intervene in European affairs, and 47 percent to our need for foreign markets.

In other words, Mr. President, 62 percent of the French people feel that we are mercenary in our efforts to help the rest of the world, and, frankly, I am constrained to feel the same way about most of our foreign aid.

I feel that the distinguished senior Senator from Michigan [Mr. VANDENBERG] is absolutely sincere, and that he has done a great job in handling our foreign affairs, as he sees them. I believe he has done what he believes to be right, and I sometimes wonder at my own temerity in disagreeing with the distinguished senior Senator from Michigan. But I have searched my soul, I have gone over the facts, I have read the history books and studied the matter, and I cannot reach any other conclusion than that our foreign policy is going to be disastrous, it is going to make us eventually the laughingstock of the world; we will have gotten in very deep and then will not be able to deliver on all our fine promises. It will be a direct aid and comfort to the Communists and will help the spread of communism.

I sincerely wish I could go along with our foreign policy. It would be much more pleasant if I could go along, instead of being practically alone in my criticism of it. But I cannot. However, I am convinced that the American people are against our foreign policy. I did not always think so. I believed the Gallup polls, and I thought that I was like the mother who witnessed her son taking part in a military parade, who said, "They are all out of step but Jim." I thought I was Jim.

Recently, I made a tour of the country and spoke to a number of audiences and asked the people in them how they felt about our foreign policy. More recently in my broadcasts to Idaho—I make a weekly broadcast to Idaho—I asked the people of the State over the air how they felt about our foreign policy and what they wanted me to do about it. They were 4 to 1 opposed to giving foreign aid. Half of them were opposed to giving—period. That is isolationism, I presume. The other half were opposed to giving because they feel, as I do, that we are only buying enemies with our giving the way we are doing it now. They feel, as I do, that these things should be handled through the United Nations, through the United Nations Economic Commission for Europe. It could be, it should be done. I predict, Mr. President, that our entire foreign policy will turn out to be a gigantic replica of the sorry mess in which we find ourselves involved in Greece at the present moment.

The PRESIDENT pro tempore. The bill having been read the third time, the question is, Shall it pass?

The bill (H. R. 4748) was passed.

Mr. BRIDGES. I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. BRIDGES, Mr. BROOKS, Mr. REED, Mr. BALL, Mr. McKELLAR, Mr. HAYDEN, and Mr. THOMAS of Oklahoma conferees on the part of the Senate.

EUROPEAN RECOVERY PROGRAM—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 478)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read by the Chief Clerk and referred to the Committee on Foreign Relations.

(For President's message, see today's proceedings of the House of Representatives on p. 11873.)

INTERNATIONAL AND NATIONAL POLICIES AND THE ECONOMIC PROBLEMS OF THE UNITED STATES—ADDRESS BY SENATOR MALONE BEFORE THE WESTERN GOVERNORS CONFERENCE

Mr. MALONE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, at this point in my remarks, the opening address which I delivered at the Governors' Conference of the Eleven Western States, in Portland, Oreg., December 12, 1947. The address dealt primarily with the international and national policies of this Government, and the trends of population and industry in the United States.

Mr. President, this Nation has expended nearly \$20,000,000,000, through various governmental agencies and direct appropriations by the Congress of the United States, since World War II, in foreign countries. We are now asked for \$17,000,000,000 more, nearly \$7,000,000,000 of which is to be expended in the so-called sixteen Marshall plan countries during approximately the next fiscal year, all of those expenditures to be made without discussing with the American people, much less deciding, the paramount question, which is just what areas and nations of the world it is necessary for this country to protect in the interest of our ultimate safety.

Mr. President, it is time to take the American people into the confidence of their Government.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the address was ordered to be printed in the RECORD, as follows:

There are many and varied issues confronting the Senate and the Congress of the United States at this time. I intend to confine my discussion here entirely to, what I consider, the major economic problems vitally affecting the continued economic growth of the entire Nation. This means the economic growth of the 11 western States.

I intend to discuss these problems with you frankly and without reserve just as I did when I prepared the Industrial Report and encyclopedia covering the States that you represent in the period from 1937 to 1944.

The decisions that are about to be made by the Senate and the Congress of the United States could conceivably result in a radical change in our form of government. We

could easily drift into the regimented, socialized and nationalized European form of government. That is the easy way. To stay away from it will require some good old fashioned "guts," hard work and sane thinking.

The decisions include:

1. The first and most important problem on international policy which has not been put clearly to the American people, is whether or not it is necessary for us to defend the European and middle-eastern countries for our own ultimate safety and in the interest of defending the materials, including oil, that we may ultimately need.

Until this decision is made no sane international policy can be adopted. If the answer is "Yes; we must defend the European and Middle Eastern countries for our own ultimate safety and for the sake of the materials contained in those countries which we may ultimately need," then it is my humble opinion that we should immediately announce the extension of the Monroe Doctrine to cover whatever area and nations it is determined that we must defend for our own ultimate safety and bend our efforts toward building a military machine, including an Air Corps, that will insure the integrity of that policy.

If the answer is "No," then we should come home and cease all interferences with European and Asiatic countries and in the same manner build a military machine and an Air Corps of such strength that no nation or combination of nations dare attack us. In either case it will mean a trained defensive and offensive military strength of tremendous proportions to prevent the slaughter of untrained and practically unarmed American boys in the event of a third world war such as actually occurred in World War II. World War III could come unless we are so well prepared that no nation or combination of nations will dare attack us, and then there will be no third world war.

2. National policy: Establish a definite basis of trade with the 54 other members of the United Nations Organizations—decide whether it is to be based on a continued forced approach to free trade through a continuation of the reciprocal trade agreements and executive order approach—or to be based on a flexible import fee method administered by law through an established set-up like the Tariff Commission. If we are to continue the free trade policy, then we must prepare for a substantial lowering of our wage-living standards.

If we adopt the flexible import fee basis, then we would frankly recognize that there are 55 different wage-living standards represented by the membership in the United Nations—and leave any wage-standard of living change and methods of production up to each individual member of the United Nations Organization—without pressure from any other member, including ourselves.

3. Artificial price and production controls: The basis upon which the first issue—international policy—is decided determines the necessity for such artificial expedients. The real root of monetary inflation is the indiscriminate export of scarce goods to foreign nations to be paid for by huge appropriations of the taxpayers' money, without hope of repayment. That is the basic cause of high prices on needed food, clothing, rents, and other materials in this country.

The time has now come when the businessmen of this Nation and, above all, the Governors and State officials, must take a definite interest in the international and national policies adopted through the action of the United States Congress and the administration.

INTERNATIONAL POLICY

Let me speak first on the international policy because it is the first question the Congress of the United States will be called

the CONGRESSIONAL RECORD on more than one subject, if they so desire, and may also include therein such short quotations as may be necessary to explain or complete such extension of remarks; but this order shall not apply to any subject matter, which may have occurred, or to any speech delivered, subsequent to the adjournment of Congress.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for ½ minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I just wish to state that the Speaker, the majority leader, and I are very anxious that Members remain within hearing distance of the bells, because we may need a quorum pretty badly sometime this evening.

EXTENSION OF REMARKS

Mr. WALTER asked and was granted permission to extend his remarks in the RECORD and include the constitution of AMVETS, the cost of which will be \$301.75.

Mr. MURDOCK asked and was granted permission to extend his remarks in the RECORD and include a newspaper item.

Mr. POULSON asked and was granted permission to extend his remarks in the RECORD and include a statement.

Mr. SANBORN asked and was granted permission to extend his remarks in the Appendix of the RECORD and include an article and statement, and a letter from John McBride.

Mr. FOOTE asked and was granted permission to extend his remarks in the RECORD on the subject of the plight of small businessmen.

PERSONAL STATEMENT

Mr. FOOTE. Mr. Speaker, upon the call of the House on December 9, 1947, the gentleman from New Hampshire [Mr. COTTON], the gentleman from Maine [Mr. FELLOWS], the gentleman from Rhode Island [Mr. FORAND], the gentleman from Connecticut [Mr. SADLAK], and I failed to answer. As a committee of the House, we were in attendance from 10 a. m. to 5:30 p. m. on that day with a subcommittee of the Senate Committee on Interstate and Foreign Commerce, at a hearing held in the Senate Banking and Currency Committee room for the purpose of hearing testimony concerning the oil and coal shortage, with particular reference to New England.

INTERIM AID DEFICIENCY APPROPRIATION BILL

Mr. JONKMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JONKMAN. Mr. Speaker, along with many other Americans, for many

years I have wondered at the objectives of the New Deal slogan, "Why worry about the national debt, we owe it to ourselves."

The appropriations for interim aid in the deficiency bill gives a new reason for the slogan, and one which the American people I think will not approve. The new reason the administration does not want the American people to worry about their own national debt is so the administration can pay the national debts of foreign nations with our taxpayers' money.

Some day the American people are going to put a stop to these micawberisms in our financial and economic policies.

EXTENSION OF REMARKS

Mr. CRAWFORD asked and was granted permission to extend his remarks in the RECORD and include a brilliant article on Chinese financial matters by Mr. Herbert Brattner.

Mr. FLETCHER asked and was granted permission to extend his remarks in the RECORD and include two articles.

Mr. KERSTEN of Wisconsin asked and was granted permission to extend his remarks in the RECORD.

Mr. JONES of Washington asked and was granted permission to extend his remarks in the RECORD and insert a statement on Senate Joint Resolution 167, having to do with the stabilization of commodity prices.

Mr. ELLIS asked and was granted permission to extend his remarks in the RECORD and include a newspaper item.

Mr. HOPE asked and was granted permission to extend his remarks in the RECORD and include an address delivered by Mr. E. H. Taylor.

Mr. SOMERS asked and was granted permission to extend his remarks in the RECORD.

Mrs. ROGERS of Massachusetts asked and was granted permission to extend her remarks in the RECORD regarding veterans and regarding the oil situation, and include certain information from governmental departments.

Mr. GRANT of Indiana (at the request of Mr. ARENDS) was granted permission to extend his remarks in the RECORD and include a speech he made at the University of Illinois.

CORRECTION OF ROLL CALL

Mr. O'KONSKI. Mr. Speaker, on roll call 138 I am recorded as absent. I was present and answered to my name. I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and forty-four Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 153]

Allen, La.	Gillie	O'Brien
Andresen,	Gordon	O'Hara
August H.	Gore	O'Toole
Andrews, N. Y.	Gorski	Owens
Arnold	Gossett	Patman
Barden	Gregory	Patterson
Bates, Ky.	Griffiths	Pfeifer
Bennett, Mo.	Gwinn, N. Y.	Phillin
Blanchard	Gwynne, Iowa	Phillips, Tenn.
Boggs, La.	Hagen	Ploeser
Brooks.	Hand	Powell
Buchanan	Hartley	Preston
Buckley	Harvey	Price, Fla.
Busbey	Hébert	Priest
Butler	Hedrick	Rabin
Byrne, N. Y.	Heffernan	Rains
Canfield	Hoeven	Redden
Celler	Hull	Reed, Ill.
Chadwick	Jackson, Calif.	Reed, N. Y.
Chilperfield	Jarman	Regan
Clark	Javits	Rich
Clements	Jenkins, Ohio	Riehlman
Clippinger	Jenkins, Pa.	Rivers
Cole, Kans.	Jennings	Rizley
Colmer	Johnson, Calif.	Rooney
Condert	Johnson, Okla.	Sabath
Courtney	Kearns	Schwabe, Mo.
Cox	Keogh	Scoblick
Crosser	Kilburn	Scott, Hardie
Crow	Klein	Shafer
Dague	Kunkel	Sikes
Davis, Tenn.	Lanham	Simpson, Pa.
Dawson, Ill.	Larcade	Smith, Kans.
Delaney	LeCompte	Smith, Wis.
Devitt	Lodge	Stanley
Dirksen	Ludlow	Stratton
Domengeaux	Lynch	Sundstrom
Dorn	McDonough	Taylor
Drewry	McGarvey	Teague
Durham	Maloney	Thomas, N. J.
Eaton	Mason	Towe
Ellsworth	Meyer	Trimble
Fellows	Mitchell	Vail
Fisher	Morgan	Vinson
Fogarty	Morrison	Weichel
Fulton	Morton	West
Gallagher	Muhlenberg	Wilson, Ind.
Gavin	Norrell	Wilson, Tex.
Gillette	Norton	Wood

The SPEAKER. On this roll call 285 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. KUNKEL (at the request of Mr. LEONARD W. HALL), for 2 days, on account of illness.

To Mr. JAVITS (at the request of Mr. MORTON), for balance of session, on account of official business attending ITO conference in Havana, Cuba.

To Mr. FULTON (at the request of Mr. SIMPSON), on account of attending as a United States delegate the United Nations Trade and Employment Conference in Havana.

PERMISSION TO ADDRESS THE HOUSE

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask for this time only to say that in view of the circumstances it is necessary that a quorum be maintained. So I urge all Members to be within sound of the bells, at least until the conference report is disposed of.

RECESS

The SPEAKER. The Chair declares the House in recess, subject to the call of the Chair.

Thereupon, at 5 o'clock and 37 minutes p. m., the House stood in recess, subject to the call of the Speaker.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 6 o'clock and 55 minutes p. m.

EXTENSION OF REMARKS

Mr. LANHAM asked and was given permission to extend his remarks in the RECORD.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD and include various letters and articles on the GI housing project in Billings, Mont.

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948

Mr. TABER submitted the following conference report and statement on the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4748) "making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6 and 11.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 9, and 10, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "\$522,000,000, and to enable the President to carry out the provisions of Public Law 84, in respect to China, \$18,000,000; in all, \$540,000,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$57,500,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment, insert the following: "\$340,000,000"; and the Senate agree to the same.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
FRANCIS CASE,
FRANK B. KEEFE,
CHARLES A. PLUMLEY,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,

Managers on the Part of the House.

STYLES BRIDGES
C. WAYLAND BROOKS,
CLYDE M. REED,
JOSEPH H. BALL,
CARL HAYDEN,
ELMER THOMAS,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments namely:

Amendment No. 1 relates to the Senate. House recedes.

Amendments Nos. 2, 3, and 4 make formal corrections and the House recedes.

Amendment No. 5 appropriates \$522,000,000 for Foreign Aid in Europe instead of \$509,000,000 as proposed by the House and \$550,000,000 as proposed by the Senate and makes \$18,000,000 available for relief in China as proposed by the Senate.

Amendment No. 6. Strikes out language proposed by the Senate to reduce the carry-over of wheat to 125,000,000 bushels.

Amendment No. 7 limits losses to be incurred under subsection (e) of section 11 of the Foreign Aid Act to \$57,500,000 instead of \$50,000,000 as proposed by the House and \$65,000,000 as proposed by the Senate.

Amendment No. 8 appropriates \$340,000,000 for Government and Relief in Occupied Areas instead of \$230,000,000 as proposed by the House and \$490,000,000 as proposed by the Senate. Of the increase over the House figure, \$37,000,000 is for use in the British zone and \$73,000,000 for the so-called "pipeline."

Amendment No. 9 inserts clarifying language.

Amendment No. 10 appropriates \$72,000 for the Bureau of Reclamation as proposed by the Senate.

Amendment No. 11 strikes out legislative language with respect to the Bureau of Reclamation proposed by the Senate.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
FRANCIS CASE,
FRANK B. KEEFE,
CHARLES A. PLUMLEY,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,

Managers on the Part of the House.

Mr. TABER. Mr. Speaker, I call up the conference report on the bill H. R. 4748 and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. MARCANTONIO) there were—ayes 233, noes 2.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. CASE of South Dakota asked and was given permission to extend his remarks in the RECORD at this point and include a few brief excerpts and newspaper items.

Mr. CASE of South Dakota. Mr. Speaker, Christmas is near, and in the mood of approaching Christmas it is hard to deal in realities, but one of these

days the Congress will find it necessary to take a second look at the figures proposed for foreign relief.

This appropriation bill carried \$340,000,000 as a supplemental appropriation for government and relief in occupied areas. That compares with two hundred thirty in the House bill and four hundred and ninety million in the Senate's version. Of the increase from the House figure, thirty-seven is to apply to the increased cost for taking on the dollar cost in the British zone of occupied Germany.

The other body had increased the figure to the total amount of the budget request, apparently, because of the announcement that the signing of the bilateral agreement was announced yesterday. I have here the Washington Post of yesterday morning. In big headlines you see "United States to share British Zone cost," with a subhead, "\$400,000,000 outlay in 1948 assumed to govern area in western Germany," followed by this opening paragraph:

After months of negotiation the United States finally agreed yesterday to take over most of the British dollar burdens in the combined zones of western Germany until the end of 1948. The agreement, signed by Acting Secretary Lovett for the United States and Sir William Strang for Great Britain, calls for additional expenditure of about \$400,000,000 by the United States in the coming year.

That is on the front page. On page 15 of the same newspaper appears another item—with a London date line. It is headed "Commons votes \$200,000 a year to Elizabeth and Philip." Then follows the story which says, in part:

The Commons defeated, 345 to 33, an amendment to deprive the royal couple of any income beyond Elizabeth's present \$60,000 * * * and finally approved without a vote an increase in Elizabeth's allowance to \$160,000 and creation of \$40,000 allowance for Philip.

And perhaps even that might be passed over without mention were it not for actual facts about the new fusion agreement which has been signed. The other day I read on the floor from the report of the British treasury which placed the cost of German occupation at £38,000,000 or about \$150,000,000 for the entire year of 1946. Yet here, the newspaper headline states that a "400 million outlay in 1948" was "assumed to govern area in western Germany."

And actually even that is not the case. We do not get the power to determine the conditions which control the rate of German recovery.

The House committee had not allowed the full request in order that Congress might examine the details of the agreement signed. For the RECORD, I want to give the paragraph on this point from the text of the agreement as released yesterday noon. It is paragraph 6, and under the head of "Basis of Economic Planning" says:

Paragraph 5 of the Bizonal Fusion Agreement shall be amended as follows:

"5. The United States and United Kingdom Military Governors in Germany shall, in accordance with the policy of the two Governments, use their best endeavors to develop at the earliest possible date, in that part of Germany which is under their jurisdiction, an economy which can be main-

tained without further financial assistance from either Government, and which will at the same time contribute to the peaceful rehabilitation of Europe."

There are other provisions of the agreement which would bear reading and study but this is sufficient at this moment. Does the United States get the right to determine the bases of economic planning which will determine the rate of recovery? Not that can be seen. Here is only a pious hope that the military governors develop an economy that can support itself.

Mr. Speaker, it was my privilege to spend 5 weeks in Germany and Austria in September and October. In many respects the British and the United States are doing a good job; in some respects I feel that mistakes are made but that is not the point now. Sure we have many ardent, capable workers over there, representing the people of the United States, but the simple truth is that he who pays the fiddler should have the right to call the tune.

The British people themselves recognize this. The London Times of October 4, editorially said:

A redistribution of the cost of feeding and maintaining western Germany implies an equal shift in political responsibility between the two powers.

Mr. Speaker, the Congress is about to adjourn over the holidays; this problem will be with us when we return. I earnestly suggest that when we return to it, we seek to work out answers in the light of realities.

Mr. WOLVERTON asked and was given permission to extend his remarks at this point in the RECORD with reference to action taken by the Committee on Interstate and Foreign Commerce.

Mr. WOLVERTON. Mr. Speaker, as I have already reported to the House, the Committee on Interstate and Foreign Commerce has been holding hearings for several days regarding shortages of fuel oil in various sections of the country in an effort to ascertain the causes of such shortages and seeking ways and means to alleviate the situation.

The testimony which has been presented in the course of these hearings proved rather inconclusive. The committee has been told that the shortages are not caused by this but by that, and then in turn told that the reverse is true. The committee, therefore, felt impelled to call before it in conference, representatives of Government departments and agencies and the petroleum industry for the purpose of securing from them a clearer picture of the causes of the shortages and such recommendations as they might care to offer to alleviate such shortages.

As a result of the hearings already held and the conferences conducted during yesterday and today, the committee has adopted a resolution. In the committee's judgment, the measures recommended in the resolution will provide the necessary relief assuming that Federal and State agencies and the oil industry cooperate promptly and wholeheartedly in making the recommendations effective.

The resolution which was unanimously adopted by the committee reads as follows:

Whereas the Committee on Interstate and Foreign Commerce of the House of Representatives has held hearings on current and anticipated shortages of fuel oil; and

Whereas it appears that such shortages threaten the health, welfare, and economy of the people in various sections of the United States; and

Whereas it appears to the Committee that there is urgent need for early action on the part of the President, the departments and agencies of the Government, the Governors of the States affected by such shortages, and the members of the petroleum industry, as well as the Congress, to take specific steps to alleviate such shortages: Therefore be it

Resolved, That the Committee on Interstate and Foreign Commerce of the House of Representatives finds that serious shortages of fuel oil are existing in various sections of the United States and that such shortages threaten to become more serious; and it is the sense of the committee that—

(1) the export control authority granted by section 6 of Public Law 703, Seventy-sixth Congress, as amended, should be exercised to place such prohibitions or curtailments on the exportation of fuel oil and other petroleum products for such period of time, as may be necessary to alleviate such shortages;

(2) wherever possible, the temporary use of naval vessels should be authorized to transport fuel oil to those sections of the United States where such shortages exist;

(3) the Maritime Commission should desist, for such time as such shortages continue to exist, from completing the transfer to foreign purchasers of tankers owned by the Government;

(4) negotiations should be undertaken by the Maritime Commission with the purchasers and owners of tankers formerly owned by the United States, with a view to securing the use of such tankers for the transportation of fuel oil to alleviate such shortages;

(5) the Secretary of the Interior, in the exercise of authority heretofore granted to him by the President, and for the purpose of alleviating such shortages, should take all possible and appropriate action to coordinate the activities of the Department of the Interior and of other departments and agencies of the Government, with those of such State officials as may be designated to handle emergency fuel problems existing in their respective States;

(6) voluntary petroleum industry committees should be established to bring about cooperation in accomplishing the most efficient possible use of equipment available for the production and transportation of fuel oil;

(7) the Office of Defense Transportation should take all possible and appropriate action to accomplish the most efficient possible use of tank cars;

(8) the President and the departments and agencies of the Government should take all other possible and appropriate action to utilize such powers as they now possess to aid in alleviating such shortages; and

(9) the Maritime Commission should be authorized and required by law, to repair any tankers owned by it or to be acquired by it, and to operate such tankers, under charter or otherwise, to the extent necessary to supplement the capacity of petroleum transportation equipment now in use; and adequate funds should be appropriated to the Maritime Commission for such purposes.

Mr. Speaker, in addition, I am of the opinion the House should have the benefit of a report which was submitted by the group of industry representatives which

conferred yesterday and today with officials of Government agencies in accordance with the request of the Committee on Interstate and Foreign Commerce. The report reads as follows:

The Chairman and Members of the Committee on Interstate and Foreign Commerce of the House of Representatives.

GENTLEMEN: In accordance with your request, the undersigned members of the oil and transportation industries met today with representatives of the State, Commerce, Defense, and Interior Departments, the Maritime Commission, and the Office of Defense Transportation. The conclusions reached are those of the industry representatives with the advice of the Government representatives.

Because of the limited time available and because of our agreement therewith, we have adopted verbatim part of the language of the report rendered December 17, to Senator CHARLES W. TOBEX of New Hampshire by an industry committee appointed by a special subcommittee to work with the Senate Interstate and Foreign Commerce Committee on fuel shortages.

This committee accepts the findings of the committee reporting to Senator TOBEX and its advisers that there is a gap of approximately 10 percent between supply and demand for distillate fuels, including kerosene, in PAW districts I, II, and III (the area between the Rockies and the Atlantic Coast) for the period from December 1947 through March 1948, despite large increases in supply; that the gap in the New England and Atlantic Coast area between supply and demand is approximately 15 percent for distillate fuels, including kerosene; and that the gap with respect to heavy residual fuels is approximately 10 percent throughout the area.

In order to minimize the emergency and alleviate the resulting hardship, the committee recommends the following:

I. That your committee endorse the campaign now being conducted by the oil industry to induce all users of fuel oil and gasoline in the area affected to reduce consumption by every means possible and that you specifically recommend to the public the following steps to save fuel:

1. Keep the temperature of your home, or store, or office, building or apartment house, or hotel, or factory at 68° or below during waking or working hours and at 60° or below at all other times, and heat no unoccupied rooms or unused space above the minimum required to prevent damage. Every degree of decrease in average temperature reduced fuel consumption by approximately 3 percent.

2. Install no equipment for burning oil, gas, or "bottled gas, and make no conversion to these fuels, unless you are sure of an adequate supply of the required fuel.

3. Place in operation immediately all equipment using coal instead of oil.

4. "Winterize" your home or establishment by properly installed insulation, weatherstripping, and storm sashes. A Government study has shown fuel savings of as much as 20 percent for weatherstripping alone, 30 percent for weatherstripping plus storm windows, 40 percent for weatherstripping plus insulation, and 50 percent for double windows plus insulation.

5. Keep the shades down and the blinds closed whenever outside light is not needed, and waste no hot water. These measures will effect material savings in fuel.

6. Reduce gasoline consumption by not driving farther or more often than necessary, by not driving at high speeds, by ride-sharing, and so far as possible by using public transportation instead of private cars. In oil refining, making more gasoline means making less fuel oil, and vice versa.

7. Do not use premium gasoline in a car that will run satisfactorily on regular grade. In most present refineries, making more high-octane gasoline reduces the total output of gasoline and fuel oil.

8. Keep your heating equipment, your car, your truck, and your tractor in first-class operating condition.

9. Conserve fuel in every other way that you can. Remember that every gallon of fuel oil or gasoline that you save is a gallon available to a fellow American who may need it urgently. Even though fuel oil and gasoline supply may be adequate in your locality, they may be desperately needed in some other area to which they can be moved.

The committee recommends that the industry's campaign for public fuel conservation be expedited and intensified by every means possible and that every effort be made to get the knowledge of the actual situation down to the reseller and local dealer.

II. That the United States Government minimize its consumption of liquid fuels by every means consistent with the national welfare and safety.

III. That the industry make immediate and abnormal adjustment of refinery yields to maximize the production of distillate fuel oils at the expense of gasoline for the next 2 or 3 months. It now believes that an increase of distillate fuel supply of 5 to 7 percent is feasible during the next few months. This adjustment in normal refinery yields may cause some spot shortages of gasoline, but the committee believes that adequate heating oil supply is more pressing and immediate.

IV. That the Maritime Commission, Navy, and Coast Guard continue to expedite in every way possible the placing of tied-up tankers in active service, and that the structural strengthening of T-2 tankers be scheduled and conducted in such a manner as to cause a minimum of loss of tanker time.

V. That the authority of the Maritime Commission to charter tankers be extended beyond the present authorized date of February 29, 1948, in order that any ships not actually sold and delivered by that date may continue in service.

VI. That the negotiations now under way to raise the load line for tankers in international service be intensified and expedited.

VII. That the oil industry, in cooperation with the transportation industry, exert every effort to make additional tank cars available through improved loading and unloading operations, including 6- and 7-day loading and unloading schedules, and that additional trucking be adopted in lieu of tank car movements, particularly for the shorter hauls.

VIII. That as facilities for the use of additional crude oil become available, the State conservation commissions review carefully their allowable production rates and increase them to the maximum required to meet the demand within the limits of sound conservation practices.

IX. That through the exercise of export controls, the export of petroleum products be minimized during the next 2 or 3 months, and that no petroleum products be exported beyond the amounts essential to maintain the economies of foreign nations whose economic welfare is essential to that of the United States.

X. That your committee recommend to the Governor of each State east of the Rockies the appointment of an emergency fuel coordinator to facilitate fair and equitable distribution to all classes of consumers in order of need.

XI. That Congress authorize the Oil and Gas Division of the Department of the Interior, in consultation with the National Petroleum Council, to create a coordinating committee of industry representatives, to serve until March 31, 1948, of which the Director of said Oil and Gas Division shall be

chairman, to advise and consult with the State coordinators and with the industry as to any action that may tend to increase available supplies or facilitate equitable distribution.

Because of the urgency of the situation, the committee recommends that the parts of the foregoing program susceptible of such action, including the actions recommended to your committee, be put into effect not later than next Monday, December 22.

L. B. DAVIS,

Socony-Vacuum.

C. AUSTIN SUTHERLAND,
American Trucking Association.

RUSSELL B. BROWN,
Independent Petroleum Association.

JAMES V. BROWN,
National Petroleum Council.

GORDON DUKE,
*Chairman, Southeastern Oil Co. and
President, National Council of Independent Petroleum Associations.*

J. C. RICHDALE,
Colonial Beacon Oil Co.

Mr. Speaker, during the recess of Congress, a study will be conducted by the committee, through its staff, not only with respect to the immediate problems arising by reason of shortages of fuel oil and other petroleum products in certain sections of the country, but also as to what should be the Nation's long-range petroleum policy. Further hearings have been scheduled to be held immediately upon the reconvening of Congress.

I assure the House that your Committee on Interstate and Foreign Commerce is aware of the seriousness of the immediate situation, as well as the importance of having a long-range program that will insure an adequate supply of oil for domestic uses and to maintain our national security.

Mr. JUDD. Mr. Speaker, I think the House and the country owe a debt of gratitude to the gentleman from New York [Mr. MARCANTONIO] for clarifying the issue with respect to China. His action cuts through all the barrage of propaganda, the talk about democracy, efficiency, corruption, and makes clear that the basic issue is whether China is to be free and on the side of the United States, or whether it is to be taken over by the Communists and enslaved as a Russian satellite—against us.

(Mr. JUDD asked and was given permission to revise and extend his remarks.)

PERMISSION TO ADDRESS THE HOUSE

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

EXTRADITION BETWEEN THE STATES

Mr. LANHAM. Mr. Speaker, I would not delay the adjournment of the House for even 1 minute except for an article which appeared in the Washington Daily News under today's date entitled "Georgia Justice Flayed in Extradition Refusal." Under a Pittsburgh date line the item reads as follows:

Judge Samuel Weiss, of the Allegheny County common pleas court yesterday loosed a verbal blast against Georgia justice and refused to extradite a 26-year-old escaped convict to the southern State—on the

grounds that it would be signing his death warrant.

Now, if the State of Pennsylvania wants to harbor the burglars, murderers, and rapists of Georgia, white or black, that is perfectly all right with me, but when this judge or so-called judge makes a statement like this, that is absolutely without any foundation in fact, and attacks the administration of justice in Georgia, I cannot refrain from speaking. I say that he disgraces the judicial robe that he wears and is unworthy of the position that he holds, because there is absolutely not a word of truth in what he has to say.

Mr. Speaker, the newspapers quote Judge Samuel Weiss as saying that if he permitted James Moreland, of Butts County, Ga., to be returned to Georgia to serve a sentence imposed upon him by a court of my State after conviction of burglary he, the judge, would be signing the Negro's death warrant. The judge is further quoted as saying:

Until the time comes * * * when all men are considered equal * * * regardless of race, color or creed, this court cannot come to any other conclusion but that James Moreland will suffer death by torture, lynching, or murder upon his return to Georgia.

The statement that James Moreland will suffer death by torture, lynching or murder upon his return to Georgia is entirely without foundation. The facts are that the Negro had been convicted after a trial and was confined in the Greenville Penitentiary Hospital, at Cairo, Ga. It is obvious that there had been no effort to lynch the Negro and that he was being cared for in a hospital instead of being forced to work as this so-called judge says later in condemning Georgia justice, as he calls it.

For 6 years before I was elected to Congress, I served as prosecuting attorney for one of the larger judicial circuits in our State. I had practiced law for 15 years prior to my election as solicitor general. During all of that time I never, at any time, saw a Negro discriminated against in the enforcement of our law. As a matter of fact, if a Negro, who had no attorney to represent him, appeared before the court, the court always appointed counsel to see that he had a fair trial. Moreover, the older members of the bar almost always volunteered to help in the defense if a young attorney was appointed by the court for this task.

Moreover, I have seen on many occasions, white juries accept the testimony of Negroes testifying against white persons charged with crime. As a matter of fact, the white people of my State lean over backwards, so to speak, to see that a Negro is given a fair trial when he is brought before the court.

Not satisfied with the statement I have just quoted that James Moreland would suffer death by torture, lynching, or murder, upon his return to Georgia, this alleged judge charged that:

Enlightened public opinion must condemn as cruel and unusual punishment the action of Georgia authorities in chaining prisoners * * * in compelling them to work at hard and painful labor from sunrise to sunset * * * in beating and shooting them * * * in placing them in unlighted holes

THIRD SUPPLEMENTAL APPROPRIATION BILL, 1948

DECEMBER 19, 1947.—Ordered to be printed

Mr. TABER, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 4748]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6 and 11.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 9, and 10, and agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the matter stricken out and inserted by said amendment insert the following: *\$522,000,000, and to enable the President to carry out the provisions of Public Law 84, in respect to China, \$18,000,000; in all, \$540,000,000;* and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert: *\$57,500,000;* and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert the following: \$340,000,000; and the Senate agree to the same.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
FRANCIS CASE,
FRANK B. KEEFE,
CHARLES A. PLUMLEY,
CLARENCE CANNON,
JOHN H. KERR,
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Managers on the Part of the House.

STYLES BRIDGES,
C. WAYLAND BROOKS,
CLYDE M. REED,
JOSEPH H. BALL,
CARL HAYDEN,
ELMER THOMAS,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4748) making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, submit the following report in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

Amendment No. 1 relates to the Senate. House recedes.

Amendments Nos. 2, 3, and 4 make formal corrections, and the House recedes.

Amendment No. 5 appropriates \$522,000,000 for foreign aid in Europe instead of \$509,000,000 as proposed by the House and \$550,000,000 as proposed by the Senate and makes \$18,000,000 available for relief in China as proposed by the Senate.

Amendment No. 6: Strikes out language proposed by the Senate to reduce the carry-over of wheat to 125,000,000 bushels.

Amendment No. 7 limits losses to be incurred under subsection (e) of section 11 of the Foreign Aid Act to \$57,500,000 instead of \$50,000,000 as proposed by the House and \$65,000,000 as proposed by the Senate.

Amendment No. 8 appropriates \$340,000,000 for government and relief in occupied areas instead of \$230,000,000 as proposed by the House and \$490,000,000 as proposed by the Senate. Of the increase over the House figure, \$37,000,000 is for use in the British zone and \$73,000,000 for the so-called pipe line.

Amendment No. 9 inserts clarifying language.

Amendment No. 10 appropriates \$72,000 for the Bureau of Reclamation as proposed by the Senate.

Amendment No. 11 strikes out legislative language with respect to the Bureau of Reclamation proposed by the Senate.

JOHN TABER,
R. B. WIGGLESWORTH,
ALBERT J. ENGEL,
FRANCIS CASE,
FRANK B. KEEFE,
CHARLES A. PLUMLEY,
CLARENCE CANNON,
JOHN H. KERR,
GEORGE MAHON,

Managers on the Part of the House.

[PUBLIC LAW 393—80TH CONGRESS]

[CHAPTER 524—1ST SESSION]

[H. R. 4748]

AN ACT

Making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

LEGISLATIVE

SENATE

For payment, in equal portions, to Theodore G. Bilbo, Junior, son, and Jessie Forrest Bilbo, daughter, of Theodore G. Bilbo, late a Senator from the State of Mississippi, \$12,500.

SALARIES, MILEAGE, AND EXPENSES OF SENATORS

For additional mileage of the President of the Senate and of Senators, at the rate authorized by law, \$51,000.

HOUSE OF REPRESENTATIVES

For payment to Fannie H. Gifford, widow of Charles L. Gifford, late a Representative from the State of Massachusetts, \$12,500.

For payment to Nancy M. Springer, widow of Raymond S. Springer, late a Representative from the State of Indiana, \$12,500.

SALARIES, MILEAGE, AND EXPENSES OF MEMBERS

For additional mileage of Members of the House of Representatives, Delegates from Territories, and the Resident Commissioner from Puerto Rico, at the rate authorized by law, \$171,000.

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN AID

Foreign aid: To enable the President to carry out the provisions of the Act entitled the "Foreign Aid Act of 1947" (Public Law 389, Eightieth Congress) insofar as applicable to Austria, France, and Italy, \$522,000,000, and to enable the President to carry out the provisions of Public Law 84, in respect to China, \$18,000,000; in all, \$540,000,000: *Provided*, That any administrative expenses which may be incurred by the Department of State in carrying out duties assigned to it under said Act may be paid from any funds available to said Department for administrative expenses, except that funds herein appropriated shall not be available for such purpose: *Provided further*, That none of the funds appropriated or made available by this Act shall be used or made available for use for the acquisition of

nitrate or nitrogenous fertilizer, or petroleum products, or wheat, wheat flour, or cereal grain in the United States or the shipment thereof from the United States unless the President shall first—

(1) survey the requirements of other countries which are dependent upon the United States for a portion of their supplies of such commodities, and

(2) estimate the quantities of such commodities which probably will be made available to such countries from the United States, and

(3) estimate the total amount of such commodities available for export from the United States to the recipient countries, after giving due consideration to the quantity thereof required in this country to meet essential domestic needs and for wastage, food, feed, seed, and industrial uses, and for the needs of other countries dependent upon the United States for supplies of such commodities. In determining the amount of such commodities available for export from the United States the President shall allow for a carry-over of wheat in the United States as of July 1, 1948, of not less than one hundred and fifty million bushels, and: *Provided further*, That the funds appropriated in this Act shall not be made available or used to acquire a quantity of wheat, wheat flour, and cereal grain in the United States which, after taking into consideration the amount estimated for export to other countries, and the amount needed for domestic consumption in the United States, will leave a carry-over of less than 150,000,000 bushels of wheat on July 1, 1948.

The losses incurred by agencies of the Government through sales of commodities in accordance with the terms of subsection (e) of section 11 of the Foreign Aid Act of 1947 shall not exceed \$57,500,000.

FEDERAL SECURITY AGENCY

SOCIAL SECURITY ADMINISTRATION

Reconversion unemployment benefits for seamen: For an additional amount for "Reconversion unemployment benefits for seamen," \$1,300,000.

Miscellaneous expenses, Social Security Administration: For an additional amount for "Miscellaneous expenses, Social Security Administration," \$40,000.

DEPARTMENT OF AGRICULTURE

The Secretary of Agriculture is hereby authorized, with the approval of the Director of the Bureau of the Budget, to utilize, by transfer or otherwise, during the period between the date of approval of this Act and April 1, 1948, such amounts as may be necessary (but not to exceed a total of \$2,750,000) from any appropriation or fund available to the bureaus, corporations, or agencies of the Department of Agriculture, for expenses necessary to carry out (a) any laws enacted subsequent to December 1, 1947, to (1) authorize the regulation of speculative trading on the commodity exchanges and (2) authorize allocation and inventory control of scarce agricultural commodities; and (b) any programs approved by the President under existing laws to encourage conservation practices in this country: *Provided*, That, notwithstanding any other provision of the appropriation laws concerned, any funds utilized under authority of this paragraph by any

bureau, corporation, or agency of such Department shall be in addition to any other funds available to such bureau, corporation, or agency: *Provided further*, That at the end of each calendar month the Secretary shall make a report to the Committees on Appropriations of the House of Representatives and the Senate of obligations incurred pursuant to this paragraph.

DEPARTMENT OF THE ARMY

CIVIL FUNCTIONS

Government and relief in occupied areas: For an additional amount for "Government and relief in occupied areas", \$340,000,000.

DEPARTMENT OF COMMERCE

The Secretary of Commerce is hereby authorized, with the approval of the Director of the Bureau of the Budget, to utilize, by transfer or otherwise, during the period between the date of approval of this Act and April 1, 1948, such amounts as may be necessary (but not to exceed a total of \$750,000) from any appropriation or fund available to any bureau or office of the Department of Commerce, for expenses necessary to carry out any laws enacted subsequent to December 1, 1947, to (1) extend and strengthen export controls and (2) authorize allocation and inventory control of scarce commodities or voluntary agreements relating thereto (other than agricultural commodities): *Provided*, That, notwithstanding any other provision of the appropriation laws concerned, any funds utilized under authority of this paragraph by any bureau or office of such Department shall be in addition to any other funds available to any such bureau or office: *Provided further*, That at the end of each calendar month the Secretary shall make a report to the Committees on Appropriations of the House of Representatives and the Senate of obligations incurred pursuant to this paragraph.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

Welfare of Indians: For an additional amount for "Welfare of Indians," including the objects specified under this head in the Interior Department Appropriation Act, 1948. \$500,000.

Advance to Navajo Tribe of Indians (tribal funds): For advance to the Navajo Tribe of Indians to reimburse the tribal sawmill enterprise for emergency relief expenditures, \$100,000, payable from funds held by the United States in trust for said Indians.

Alaska Native Service: For hospitalization of tuberculous Indians, Eskimos, and Aleuts at the Seward Sanatorium operated by the Methodist church, \$176,000.

BUREAU OF RECLAMATION

RECLAMATION FUND, CONSTRUCTION

Construction: For construction and continuation of construction of the following project in not to exceed the following amount to be reimbursable in full under conditions satisfactory to the Secretary of the Interior as provided in Public Law 247, Eightieth Congress, approved July 25, 1947:

Deschutes project, Oregon, \$72,000, to be available toward emergency rehabilitation of the works of the Arnold Irrigation District under the same terms and conditions as provided in said Public Law 247, Eightieth Congress.

GENERAL FUND, CONSTRUCTION

Construction: For additional amounts for continuation of construction of the following projects, to remain available until expended, and to be subject to such limitations and restrictions as may be applicable to appropriations for such purposes in the Interior Department Appropriation Act, 1948, or other law, as follows:

Davis Dam project, Arizona-Nevada, \$2,800,000.

Colorado-Big Thompson project, Colorado, \$4,150,000.

Central Valley project, California: Joint facilities, \$1,273,600; irrigation facilities, \$8,771,600; power facilities, Shasta power plant, \$700,000, Keswick Dam, \$145,000, Keswick power plant, \$514,800; in all, \$11,405,000.

Columbia Basin project, Washington, \$13,584,000.

TITLE II

GENERAL PROVISIONS

SEC. 201. No part of any appropriation contained in this Act shall be used to pay the salary or wages of any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided*, That for the purposes hereof an affidavit shall be considered prima facie evidence that the person making the affidavit has not, contrary to the provisions of this section, engaged in a strike against the Government of the United States, is not a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or that such person does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence: *Provided further*, That any person who engages in a strike against the Government of the United States or who is a member of an organization of Government employees that asserts the right to strike against the Government of the United States, or who advocates, or who is a member of an organization that advocates, the overthrow of the Government of the United States by force or violence and accepts employment the salary or wages for which are paid from any appropriation contained in this Act shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 202. This Act may be cited as the "Third Supplemental Appropriation Act, 1948."

Approved December 23, 1947.

